



The nationwide gondola pool

RAILGON COMPANY
101 NORTH WACKER DRIVE
CHICAGO, ILLINOIS 60606
(312) 853-3223

RECORDATION NO. 14329-A

Filed 1426

OCT 17 1984 -9 25 AM

INTERSTATE COMMERCE COMMISSION

No. OCT 20 1984

Date

Fee \$ 10.00

KC Washington, D.C.

4-291A034

October 15, 1984

Dear Mr. Bayne:

On behalf of Railgon Company, I submit for filing and recording, under 49 U.S.C. §11303(a) and the regulations promulgated thereunder, ~~two~~ executed originals of a secondary document entitled "Amendment No. 1 to the Override and Restructuring Agreement."

and one certified true copy

The aforesaid document, among other things, amends the Override and Restructuring Agreement to provide for the lease of 1000 gondola cars to The Baltimore and Ohio Railroad Company and 500 gondola cars to The Chesapeake and Ohio Railway Company.

The Override and Restructuring Agreement dated as of January 1, 1984 was recorded with the Interstate Commerce Commission on June 1, 1984 at 8:45 a.m. under Recordation No. 14329. Please file the enclosed document under Recordation No. 14329 under the next available letter.

The parties to this transaction are as follows:

Railgon Company - Lessee
101 North Wacker Drive
Chicago, Illinois 60606

Mercantile-Safe Deposit and Trust Company
- as Agent for Investors, and as Mortgagee
2 Hopkins Plaza
Baltimore, Maryland 21201

General Electric Credit Corporation - Owner
1600 Summer Street
Stamford, Connecticut 06905

MOTOR OPERATING UNIT

OCT 17 9:30 AM '84
ICC OFFICE OF
THE SECRETARY

Copy to Mr. Bayne

The Connecticut Bank and Trust Company,
National Association - as Trustee for
Owner, and as Lessor
One Constitution Plaza
Hartford, Connecticut 06115

Trailer Train Company
101 North Wacker Drive
Chicago, Illinois 60606

The equipment involved in the instant document is the
equipment as set forth below:

<u>Car Type</u>	<u>AAR Mechanical Designation</u>	<u>No. of Units</u>	<u>Reporting Marks</u>	<u>Car Numbers</u>
52'6" 100 ton Gondola cars	GB	3998	GONX	310000 - 310902 310904 - 310999 320000 - 320499 330000 - 330499 340000 - 340499 350000 - 351499 350027 - 351499

Enclosed is a check in the amount of ten dollars
(\$10.00) to pay the recording fee for the instant document.

A short summary of the document to appear in the Index
is as follows:

"Amends the the Override and Restructuring
Agreement under Recordation No. 14329 to
provide for the lease of 1500 gondola cars."

Page 3
Honorable James H. Bayne

Once the filing has been made, please keep ^{the} ~~one~~ executed original for your files and return to bearer the other stamped *copies* ~~executed original~~, together with the fee receipt, the letter from the ICC acknowledging the filing, and the four extra copies of this letter of transmittal.

Very truly yours,



T. D. Marion
Assistant Treasurer

Honorable James H. Bayne
Secretary
Interstate Commerce Commission
Washington, D.C. 20423

Enclosures
TDM/gno
BY HAND

OCT 17 1984 -9 55 AM

AMENDMENT NO. 1 TO THE
OVERRIDE AND RESTRUCTURING AGREEMENT ~~RESTATE~~ COMMERCE COMMISSION

THIS AGREEMENT, dated as of October 15, 1984 (the "First Amendment"), constitutes Amendment No. 1 to the Override and Restructuring Agreement (the "Override Agreement") dated as of January 1, 1984 by and among RAILGON COMPANY, a Delaware corporation ("Lessee"), MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, a Maryland corporation, not in its individual capacity, but solely in its capacities as Agents for the Investors listed on Exhibit A to the Override Agreement (collectively, the "Agent"), GENERAL ELECTRIC CREDIT CORPORATION, a New York corporation ("Owner"), THE CONNECTICUT BANK AND TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association, not in its individual capacity, but solely in its capacities as Trustees for the Owner (collectively, the "Trustee"), the Investors listed on Exhibit A to the Override Agreement (individually, an "Investor" and collectively, the "Investors"), and TRAILER TRAIN COMPANY, a Delaware corporation ("TT") (reference being made to the Override Agreement for the definition of certain capitalized terms used and not defined herein).

W I T N E S S E T H:

WHEREAS, pursuant to the Override Agreement, (i)
the Agent, on behalf of the Investors, and the Investors,

agreed to a restructuring of the Total CSA Indebtedness for the term of the Override Agreement, including certain deferrals of scheduled interest payments thereon, (ii) the Owner and the Trustee agreed to an amendment of the First Lease, the Second Lease and the Third Lease and the Owner agreed to make certain advances to the Lessee and (iii) TT agreed to make certain advances to the Lessee and to convert the TT Loans, together with accrued interest thereon to the Closing Date under the Override Agreement, into a capital contribution to the Lessee.

WHEREAS, pursuant to the two Leases of Railroad Equipment (the "Chessie Leases") each substantially in the form of Exhibit A hereto dated as of October 15, 1984 and executed simultaneously herewith between the Trustee (pursuant to the Owner's authorization and direction) and each of The Baltimore and Ohio Railroad Company, a Maryland corporation, and The Chesapeake and Ohio Railway Company, a Virginia corporation (collectively, the "Chessie Lessees"), both doing business as Chessie System Railroads, the Chessie Lessees are leasing from the Trustee a total of 1500 gondola cars currently leased by the Trustee to the Lessee pursuant to the Second Lease and the Third Lease, respectively, and constituting part of the Equipment covered by the Second CSA and the Third CSA, respectively;

WHEREAS, the Lessee has consented to the Chessie Leases pursuant to the terms of two Amendments to Lease (col-

lectively, the "Amendments to Leases") each substantially in the form of Exhibit B hereto and dated as of October 15, 1984, and the Agent and the Investors have consented to the Amendments to Leases pursuant to a Consent to Lease Agreements (the "Consent to Lease Agreements") substantially in the form of Exhibit C hereto and dated as of October 15, 1984;

WHEREAS, (i) pursuant to the Amendments to Leases, the rental and other obligations due from the Lessee under the First Lease, the Second Lease and the Third Lease will be reduced, (ii) pursuant to the terms of three Amendments to Conditional Sale Agreement (collectively, the "Amendments to Conditional Sale Agreements") each substantially in the form of Exhibit D hereto and dated as of October 15, 1984, the CSA Indebtedness in respect of the First CSA, the Second CSA and the Third CSA will be restructured and (iii) in connection with such reduction and restructuring the Owner will pay to the Agent on behalf of the Investors at the Amendment No. 1 Closing (as defined below) the sum of \$5,228,300.08 (the "Chessie Leases Advance") which sum shall be applied to reduce the Owner Commitment by the same amount;

WHEREAS, the Trustee has assigned each of the Chessie Leases to the Agent as security for the Chessie CSA Indebtedness (as defined in the Amendments to Conditional Sale Agreements) pursuant to two Assignments of Lease (collectively, the

"Assignments of Leases") each substantially in the form of Exhibit E hereto and dated as of October 15, 1984, and each of the Chessie Lessees has consented to such Assignments of Leases pursuant to a Lessee's Consent (the "Lessee's Consent") substantially in the form of Exhibit F hereto and dated as of October 15, 1984;

WHEREAS, in connection with the transactions described above, the Investors desire as among themselves to adjust their interests in the Equipment and in the payments to be received from the Chessie Lessees pursuant to the Chessie Leases;

WHEREAS, in connection with the transactions described above, (i) the Lessee, the Investors, the Agent, the Owner and the Trustee desire to amend certain provisions of the First Participation Agreement, the Second Participation Agreement and the Third Participation Agreement pursuant to three Amendments to Participation Agreement (collectively, the "Amendments to Participation Agreements") each substantially in the form of Exhibit G hereto and dated as of October 15, 1984 and (ii) the Agent and the Trustee desire to amend certain provisions of the First Lease Assignment, the Second Lease Assignment and the Third Lease Assignment pursuant to three Amendments to Assignments of Lease and Agreement (collectively, the "Amendments to Assignments of Lease") each substan-

tially in the form of Exhibit H hereto and dated as of October 15, 1984; and

WHEREAS, the parties to the Override Agreement desire to modify and restate certain of their rights thereunder as a result of and in connection with the transactions described above;

NOW, THEREFORE, in consideration of the premises, the mutual covenants contained in this Agreement and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto, being the parties to the Override Agreement, hereby agree as follows:

1. The parenthetical beginning on the seventh line of paragraph A of the Background section of the Override Agreement is amended in its entirety to read as follows:

"(such units, after excluding the Chessie Equipment, the "Equipment")".

2. The last sentence of Section 1.01(b) of the Override Agreement is amended to read in its entirety as follows:

"Notwithstanding the foregoing, the aggregate amount of Deferred Amounts outstanding shall not exceed \$4,811,489.26 at any time unless at such time the Owner has advanced to or on behalf of the Lessee the aggregate outstanding amount of \$9,000,000 pursuant

to Section 3 hereof and TT has advanced to or on behalf of the Lessee the aggregate outstanding amount of \$12,000,000 pursuant to Section 2 hereof."

3. Section 1.01(d) of the Override Agreement is amended to replace the reference to "\$17,000,000" in the fourth line thereof with "\$11,370,535.76."

4. The following section is added at the end of Section 2 of the Override Agreement:

"2.06 Effect of Chessie Leases Advance. In recognition of the payment by the Owner of the Chessie Leases Advance, and notwithstanding anything contained in Sections 2 and 3 hereof to the contrary, from and after the date on which the Owner pays to the Agent the Chessie Leases Advance, and until TT shall have advanced, during the period on and after such date, to the Lessee or its designee pursuant to Section 2 hereof (as amended by this Section 2.06) an amount equal to the lesser of (a) \$10,456,600.16 or (b) the remaining amount of the TT Commitment, each reference to "66-2/3%" contained in Sections 2.03(a) and (c) hereof shall be amended to read "100%", and each reference to "33-1/3%" contained in Sections 3.01(a)(ii) and (iii) hereof shall be amended to read "0%".

5. Section 4.01(b)(1) of the Override Agreement is amended

(a) to replace the references to "\$12,000,000" in the fifth and sixteenth lines thereof with "\$8,026,260.54"; and

(b) to replace the references to "\$17,000,000" in the seventeenth and nineteenth lines thereof with "\$11,370,535.76."

6. The following subsection is added to the end of Section 4.01:

"(c) In recognition of the execution of the Chessie Leases, each Investor's CSA Indebtedness has been reduced pursuant to the Amendments to Conditional Sale Agreements by such Investor's Pro Rata share of the Total Chessie CSA Indebtedness, and the Total CSA Indebtedness has also been reduced by the amount of the Total Chessie CSA Indebtedness. Notwithstanding the foregoing or anything to the contrary contained herein, interest accrued in respect of the Total CSA Indebtedness (without giving effect to the reductions referred to in the immediately preceding sentence) from the beginning of the Override Period to the date of closing of the Chessie Leases and constituting Deferred Amounts and Additional Deferred Amounts shall continue to constitute Deferred Amounts and Additional Deferred Amounts hereunder and shall be payable in accordance with the terms and provisions of this Agreement."

7. Section 4.03(c) of the Override Agreement is amended to replace the reference to "\$12,000,000" in the eleventh line thereof with "\$8,026,260.54."

8. The following definitions are added to Section 13 of the Override Agreement in their alphabetical order therein:

"Amendment No. 1 shall mean the Amendment No. 1 to the Override and Restructuring Agreement, dated as of September 1, 1984, among each of the parties to this Agreement.

"Amendments to Conditional Sale Agreements shall have the meaning specified therefor in Amendment No. 1."

"Amendments to Lease shall have the meaning specified therefor in Amendment No. 1."

"Assignments of Leases shall have the meaning specified therefor in Amendment No. 1."

"Chessie CSA Indebtedness shall have the meaning specified therefor in the Amendments to Conditional Sale Agreements."

"Chessie Equipment means the railroad equipment leased to the Chessie Lessees by the Trustee pursuant to the Chessie Leases."

"Chessie Equipment Interest shall mean, as to each Investor as of the date of determination, a percentage equal to the proportion of such Investor's Chessie CSA Indebtedness to the Total Chessie CSA Indebtedness."

"Chessie Leases shall have the meaning specified therefor in Amendment No. 1."

"Chessie Leases Advance shall have the meaning specified therefor in Amendment No. 1."

"Chessie Lessees shall have the meaning specified therefor in Amendment No. 1."

"Railgon Equipment Interest shall mean, as to each Investor as of the date of determination, a percentage equal to the proportion of such Investor's CSA Indebtedness to the Total CSA Indebtedness."

"Total Chessie CSA Indebtedness shall mean the aggregate Chessie CSA Indebtedness under the First CSA, the Second CSA and the Third CSA, as amended by the Amendments to Conditional Sale Agreements."

9. The following section is added after Section 17 of the Override Agreement:

"Section 18. Apportionment of Interests.

18.01. Interests in Payments. Notwithstanding the provisions of this Agreement concerning each Investor's interest in the Equipment or Chessie Equipment, as the case may be, including, without limitation, Sections 18.02 and 18.03(b), any payment of principal of or interest on the Total CSA Indebtedness received by the

Agent pursuant to this Agreement shall be distributed by the Agent in accordance with the provisions with respect to such payments contained in this Agreement.

18.02. Interests in Equipment.

(a) Each Investor's interest in, and right to receive payments in respect of, the Equipment and in all proceeds from the sale, transfer, conveyance, lease, contract for use or other disposition of such Equipment as a result of or in connection with an event of default under any of the First CSA, the Second CSA or the Third CSA, an Event of Default under any of the First Lease, the Second Lease or the Third Lease or an Event of Default hereunder, shall be equal to such Investor's Railgon Equipment Interest.

(b) Notwithstanding any provision contained in any of the Documents to the contrary including, without limitation, Section 4.03(a) of the Override Agreement, upon the receipt by the Agent of (i) any proceeds of the Equipment from any of the events described in paragraph (a) of this Section 18.02 or (ii) any payments in respect of Casualty Occurrences (as defined in the First Lease, the Second Lease and the Third Lease), the Agent shall distribute to each Investor an amount equal to the product of (x) such Investor's Railgon Equipment Interest and (y) all such amounts received by the Agent in respect of such event.

18.03 Chessie Leases Payments.

(a) All rentals and other payments (excluding, however, payments of the type referred to in Section 18.03(b)) paid to the Agent under or pursuant to the Chessie Leases and the Assignments of Leases on a given date shall be distributed by the Agent to each Investor, in the manner specified in Section 4.03(b) in connection with payments of the Total CSA Indebtedness, in an amount equal to the product of (x) the percentage or percentages set forth opposite the name of such Investor on Schedule 1 to Amendment No. 1 and (y) the aggregate of all such rentals and other payments received on such date and allocable on such date to the First Lease and the Second Lease, or to the Third Lease, as the case may be, as set forth on Schedule 2 or Schedule 3, respectively, to Amendment No. 1.

(b) All payments paid to the Agent in respect of (i) the sale, transfer, conveyance, lease, contract for use or other disposition of the Chessie Equipment in connection with an Event of Default under the Chessie Leases or an event of default under any of the First CSA,

the Second CSA or the Third CSA in respect thereof, or (ii) Casualty Occurrences (as defined in the Chessie Leases) shall be distributed by the Agent to each Investor in an amount equal to the product of (x) such Investor's Chessie Equipment Interest and (y) all such amounts received by the Agent in respect of such event.

10. Exhibits F and G to the Override Agreement are amended to read in their entirety as set forth in the forms thereof annexed hereto as Schedules 4 and 5, respectively.

11. Amendment No. 1 Closing.

11.1 Amendment No. 1 Closing. The closing (the "Amendment No. 1 Closing") of the transactions contemplated hereby and by the Chessie Leases shall take place at the offices of Wachtell, Lipton, Rosen & Katz, 299 Park Avenue, New York, New York at 10:00 a.m., local time, on such date on which all conditions set forth in Sections 11.2, 11.3 and 11.4 hereof shall have been satisfied (or duly waived by the party hereto entitled to waive such condition), as may be specified by the Lessee to the Investors, the Agent, the Trustee, the Owner and TT by telephone or telex communication given not less than two Business Days prior to such date (the date and time of the Amendment No. 1 Closing being referred to herein as the "Amendment No. 1 Closing Date"); provided, however, that the Amendment No. 1 Closing Date shall not take place in the event that prior to the Amendment No. 1 Closing Date any party entitled to the satisfaction of any condition

shall have delivered to the Lessee (with copies to all other parties hereto) a certificate in writing stating that such party believes in good faith that one or more of the conditions to such party's obligations have not been fulfilled or duly waived and setting forth in reasonable detail the basis for its belief, unless each such certificate shall have been withdrawn in writing. The Amendment No. 1 Closing shall be deemed to have occurred if (i) the Lessee shall have delivered to each party hereto which shall be in attendance at the Amendment No. 1 Closing a certificate stating that any notice of the time and place of the Amendment No. 1 Closing required to be given to each party hereto was given or was duly waived and that all of the conditions set forth in Sections 11.2, 11.3 and 11.4 hereof have been satisfied or duly waived by the party hereto entitled to the satisfaction of such condition and (ii) the Lessee shall not have received, prior to the Amendment No. 1 Closing Date, any certificate as provided in the proviso to the immediately preceding sentence, or if any such certificate shall have been received, it shall have been withdrawn in writing.

11.2 Conditions of Obligations and Agreements of Investors and the Agent. The obligations and agreements of each of the Investors and the Agent to consummate the Amendment No. 1 Closing shall be subject to the satisfaction

of each of the following conditions (any of which may be waived as to any Investor by such Investor):

(a) Restructuring Agreements. The Chessie Leases, the Assignments of Leases, the Lessee's Consent, the Amendments to Leases, the Amendments to Conditional Sale Agreements, the Consent to Lease Agreements, the Amendments to Participation Agreements and the Amendments to Assignments of Lease (collectively the "Chessie Documents") shall have been duly executed and delivered by the respective parties thereto, shall be in full force and effect, and shall not have been terminated, and the parties thereto shall have fully performed all of their obligations thereunder which, by the terms of such agreements, are required to be performed on or prior to the Amendment No. 1 Closing Date.

(b) Chessie Leases Advance. The Owner shall have made the Chessie Leases Advance to the Agent by wire transfer of immediately available funds to the account of the Agent specified in the Lessee's Consent.

(c) No Default. No event or condition shall have occurred and be continuing, or would result from the transactions contemplated hereby and by the Chessie Leases, that constitutes an Event of Default under the Override Agreement or an "Event of Default" under either of the Chessie Leases

(or event which with the giving of notice or lapse of time or both, would constitute such an Event of Default or "Event of Default").

(d) Compliance Certificate. The Lessee shall have delivered to each Investor and the Agent a certificate of its Chief Financial Officer certifying that the conditions precedent contained in Sections 11.2(a) (to the knowledge of the Lessee as to parties other than the Lessee), (b), (c), (f) (to the knowledge of the Lessee as to parties other than the Lessee), (g) and (k) have been duly satisfied at the Amendment No. 1 Closing Date.

(e) Opinions of Counsel. The opinions of Messrs. Kirkland & Ellis, counsel to the Lessee and TT, Messrs. Haight, Gardner, Poor & Havens, counsel to the Owner, Messrs. Day, Berry & Howard, counsel to the Trustee, Messrs. Cravath, Swaine & Moore, counsel to the Agent, and Robert F. Hochwarth, Esq., counsel to the Chessie Lessees, shall have been delivered to each Investor, the Agent and TT, and shall be in form, scope and substance satisfactory to each Investor.

(f) First Amendment. This Agreement shall have been duly executed and delivered by the respective parties hereto, shall be in full force and effect and shall not have been terminated and the parties hereto shall have fully performed all of their obligations hereunder which, by the terms

hereof, are required to be performed on or prior to the Amendment No. 1 Closing Date.

(g) ICC Filings. All filings of this Agreement, the Assignments of Leases, the Amendments to Leases, the Amendments to Conditional Sale Agreements, the Amendments to Assignments of Lease and the Chessie Leases shall have been made with the Interstate Commerce Commission and no other filing or recordation shall be necessary for the protection of the rights of the Agent therein or in the Equipment in any state of the United States of America or the District of Columbia.

(h) Compliance Certificate of Owner. The Owner shall have delivered to each Investor and the Agent a certificate of an authorized officer of the Owner to the effect that the Owner is in full compliance with its obligations under the Documents, the Chessie Documents to which it is a party and the Override Agreement.

(i) Compliance Certificate of Trustee. The Trustee shall have delivered to each Investor and the Agent a certificate of an authorized officer of the Trustee to the effect that the Trustee is in full compliance with its obligations under the Documents, the Chessie Documents to which it is a party and the Override Agreement.

(j) Compliance Certificate of TT. TT shall have delivered to each Investor and the Agent a certificate of an authorized officer of TT to the effect that TT is in full compliance with its obligations under this Agreement and the Override Agreement.

(k) Payment of Expenses. The Lessee, TT and the Owner shall have paid in full all amounts that each shall have been requested to pay in accordance with Section 12 hereof.

11.3 Conditions of Obligations and Agreements of the Owner and the Trustee. The obligations and agreements of the Owner and the Trustee to consummate the Amendment No. 1 Closing shall be subject to the satisfaction of each of the following conditions (any of which may be waived by the Owner or the Trustee, as the case may be):

(a) Restructuring Agreements. The Chessie Leases (with respect to the Chessie Lessees only), the Assignments of Leases (with respect to the Agent only), the Lessee's Consent, the Amendments to Leases (with respect to the Lessee only), the Amendments to Conditional Sale Agreements (with respect to the Agent only), the Consent to Lease Agreements, the Amendments to Participation Agreements (with respect to the Lessee, the Investors and the Agent only) and the Amend-

ments to Assignments of Lease (with respect to the Agent only) shall have been duly executed and delivered by the respective parties thereto, shall be in full force and effect and shall not have been terminated, and the parties thereto shall have fully performed all of their obligations thereunder which, by the terms of such agreements, are required to be performed on or prior to the Amendment No. 1 Closing Date.

(b) No Default. No event or condition shall have occurred and be continuing, or would result from the transactions contemplated hereby and by the Chessie Leases, which constitutes an Event of Default under the Override Agreement or an "Event of Default" under either of the Chessie Leases (or event which with the giving of notice or lapse of time or both, would constitute such an Event of Default or "Event of Default").

(c) Compliance Certificate. The Lessee shall have delivered to the Owner a certificate of its Chief Financial Officer certifying that the conditions precedent contained in Sections 11.3(a) (to the knowledge of the Lessee as to parties other than the Lessee), (b), (e) (to the knowledge of the Lessee as to parties other than the Lessee), (g) and (h) have been duly satisfied at the Amendment No. 1 Closing Date.

(d) Opinions of Counsel. The opinions of Messrs. Kirkland and Ellis, counsel to the Lessee and TT, Messrs.

Cravath, Swaine & Moore, counsel to the Agent, and Robert F. Hochwarth, Esq., counsel to the Chessie Lessees, shall have been delivered to the Owner and the Trustee, and shall be in form, scope and substance satisfactory to the Owner.

(e) First Amendment. This Agreement shall have been duly executed and delivered by the respective parties hereto, shall be in full force and effect and shall not have been terminated, and the parties hereto shall have fully performed all of their obligations hereunder which, by the terms hereof, are required to be performed on or prior to the Amendment No. 1 Closing Date.

(f) Compliance Certificate of TT. TT shall have delivered to the Owner a certificate of an authorized officer of TT to the effect that TT is in full compliance with its obligations under this Agreement and the Override Agreement.

(g) ICC Filings. All filings of this Agreement, the Assignments of Leases, the Amendments to Leases, the Amendments to Conditional Sale Agreements, the Amendments to Assignments of Lease and the Chessie Leases shall have been made with the Interstate Commerce Commission and no other filing or recordation shall be necessary for the protection of the rights of the Trustee or Agent therein or in the Equipment in any state of the United States of America or the District of Columbia.

(h) Payment of Expenses. The Lessee and TT shall have paid in full all amounts that each shall have been requested to pay in accordance with Section 12 hereof.

11.4 Conditions of Obligations and Agreements of TT. The obligations and agreements of TT to consummate the Amendment No. 1 Closing shall be subject to the satisfaction of each of the conditions (any of which may be waived by TT) set forth in clauses (a) (as to parties other than TT), (c), (d), (e), (f) (as to parties other than TT), (g), (h), (i) and (k) (as to parties other than TT) of Section 11.2 hereof (including the delivery to TT of each certificate required pursuant to any of the foregoing clauses).

12. Expenses. Whether or not the transactions contemplated hereby and by the Chessie Leases are consummated, the Lessee and TT will pay or cause to be paid, with respect to this Agreement, the Chessie Documents and any documents executed in connection herewith or therewith, (i) the reasonable fees, costs and disbursements of the Agent, including the reasonable fees and disbursements of special counsel for the Agent, (ii) without limiting the provisions of the First Trust Agreement, the Second Trust Agreement and the Third Trust Agreement, the reasonable fees, costs and disbursements of the Trustee, including the reasonable fees and disbursements of special counsel for the Trustee, (iii) the reason-

able cost of preparation, execution and delivery and duplication hereof and thereof, including the reasonable fees and disbursements of Messrs. Wachtell, Lipton, Rosen & Katz as special counsel for the Investors, and (iv) any other reasonable costs or expenses of the Agent and the Investors, including reasonable counsel fees and disbursements, incurred after the Amendment No. 1 Closing Date in connection with the enforcement of, the preservation of rights under, or any litigation or preparation for litigation involving or arising out of, any of this Agreement, the Chessie Documents or such documents. The Lessee and TT also will pay or cause to be paid any costs of filing this Agreement, the Assignments of Leases, the Amendments to Leases, the Amendments to Conditional Sale Agreements, the Amendments to Assignments of Lease, the Chessie Leases, the Lessee's Consents and the Consent to Lease Agreements. The Investors and the Agent shall have no liability to the Lessee for any of the aforesaid fees, costs, disbursements and expenses or for any other expenses in connection with the transactions contemplated hereby. The Owner shall be responsible for the payment of all fees and disbursements of special counsel for the Owner.

13. Lessee's Further Assurances. The Lessee agrees to execute and deliver, at no cost to it, any document reasonably requested of it in connection with any further amendment to this Agreement or any of the Chessie Documents in respect

of the Chessie Equipment, the Chessie Leases or the Chessie Lessees.

14. Authorizations.

14.1 Authorization by the Investors. Each of the Investors hereby authorizes and directs the Agent to execute, deliver and perform this Agreement and each of the Chessie Documents to which the Agent is a party and indemnifies the Agent for any expenses and liabilities it may incur in connection therewith.


14.2 Authorization by the Owner. The Owner hereby authorizes and directs the Trustee to execute, deliver and perform this Agreement and each of the Chessie Documents to which the Trustee is a party.

15. Miscellaneous. Except as expressly modified or amended hereby, the Override Agreement and the other Documents shall remain in full force and effect in accordance with their terms. This Agreement may be executed in two or more counterparts, all of which when taken together shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused

this Agreement to be executed by duly authorized officers or other persons as of the date first above written.

RAILGON COMPANY

By 
Title *PRESIDENT AND CHIEF EXECUTIVE OFFICER*

MERCANTILE-SAFE DEPOSIT AND
TRUST COMPANY, as Agent

By _____
Title

[SEAL]

Attest:

By _____
Title

THE CONNECTICUT BANK AND TRUST
COMPANY, NATIONAL ASSOCIATION,
as Trustee as aforesaid

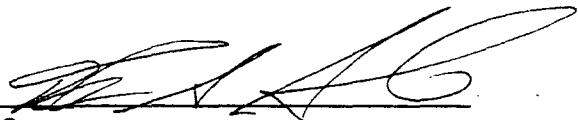
By _____
Title

this Agreement to be executed by duly authorized officers or other persons as of the date first above written.

RAILGON COMPANY

By _____
Title

MERCANTILE-SAFE DEPOSIT AND
TRUST COMPANY, as Agent

By  _____
Title VICE PRESIDENT

[SEAL]

Attest:
By  _____
Title Asst. Corporate Trust Officer

THE CONNECTICUT BANK AND TRUST
COMPANY, NATIONAL ASSOCIATION,
as Trustee as aforesaid

By _____
Title

this Agreement to be executed by duly authorized officers or other persons as of the date first above written.

RAILGON COMPANY

By _____
Title

MERCANTILE-SAFE DEPOSIT AND
TRUST COMPANY, as Agent

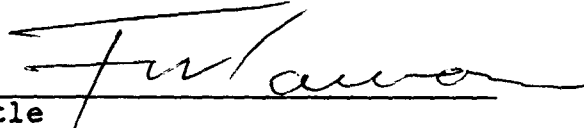
By _____
Title

[SEAL]

Attest:

By _____
Title

THE CONNECTICUT BANK AND TRUST
COMPANY, NATIONAL ASSOCIATION,
as Trustee as aforesaid

By  _____
Title
VICE PRESIDENT

GENERAL ELECTRIC CREDIT
CORPORATION

By *J. H. White*
Title *Manager Special Projects*

METROPOLITAN LIFE INSURANCE
COMPANY

By _____
Title _____

By _____
Title _____

MORGAN GUARANTY TRUST COMPANY
OF NEW YORK, as agent for an
Institutional Investor, Schmidt
& Co., Account No. 288

By _____
Title _____

JOHN HANCOCK MUTUAL LIFE
INSURANCE COMPANY

By _____
Title _____

PHOENIX MUTUAL LIFE INSURANCE
COMPANY

By _____
Title _____

GENERAL ELECTRIC CREDIT
CORPORATION

By _____
Title

METROPOLITAN LIFE INSURANCE
COMPANY

By John S. Kelley
Title Senior Vice-President

By Richard G. Clark
Title ASSISTANT GENERAL COUNSEL

MORGAN GUARANTY TRUST COMPANY
OF NEW YORK, as agent for an
Institutional Investor, Schmidt
& Co., Account No. 288

By _____
Title

JOHN HANCOCK MUTUAL LIFE
INSURANCE COMPANY

By _____
Title

PHOENIX MUTUAL LIFE INSURANCE
COMPANY

By _____
Title

GENERAL ELECTRIC CREDIT
CORPORATION

By _____
Title

METROPOLITAN LIFE INSURANCE
COMPANY

By _____
Title

By _____
Title

MORGAN GUARANTY TRUST COMPANY
OF NEW YORK, as agent for an
Institutional Investor, Schmidt
& Co., Account No. 288

By E. L. Nelson
Title ASSISTANT SECRETARY

JOHN HANCOCK MUTUAL LIFE
INSURANCE COMPANY

By _____
Title

PHOENIX MUTUAL LIFE INSURANCE
COMPANY

By _____
Title

GENERAL ELECTRIC CREDIT
CORPORATION

By _____
Title

METROPOLITAN LIFE INSURANCE
COMPANY

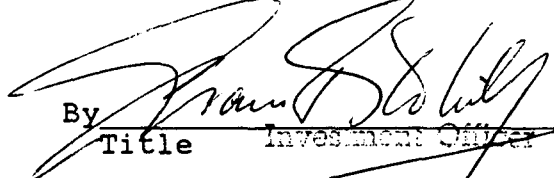
By _____
Title

By _____
Title

MORGAN GUARANTY TRUST COMPANY
OF NEW YORK, as agent for an
Institutional Investor, Schmidt
& Co., Account No. 288

By _____
Title

JOHN HANCOCK MUTUAL LIFE
INSURANCE COMPANY

By  _____
Title Investment Officer

PHOENIX MUTUAL LIFE INSURANCE
COMPANY

By _____
Title

GENERAL ELECTRIC CREDIT
CORPORATION

By _____
Title

METROPOLITAN LIFE INSURANCE
COMPANY

By _____
Title

By _____
Title

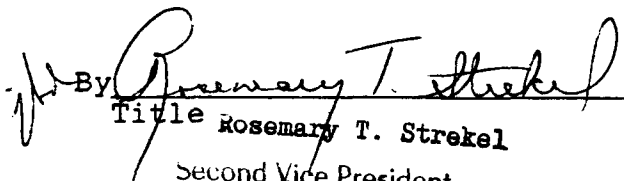
MORGAN GUARANTY TRUST COMPANY
OF NEW YORK, as agent for an
Institutional Investor, Schmidt
& Co., Account No. 288

By _____
Title

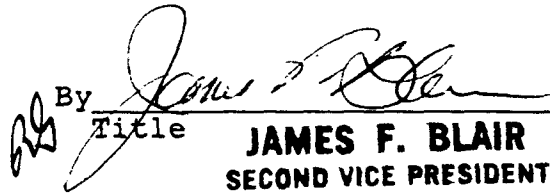
JOHN HANCOCK MUTUAL LIFE
INSURANCE COMPANY

By _____
Title

PHOENIX MUTUAL LIFE INSURANCE
COMPANY

By  _____
Title Rosemary T. Strekel
Second Vice President

TEACHERS INSURANCE AND ANNUITY
ASSOCIATION OF AMERICA

By  _____
Title **JAMES F. BLAIR**
SECOND VICE PRESIDENT
AETNA LIFE INSURANCE COMPANY

By _____
Title

AETNA INSURANCE COMPANY

By CIGNA CAPITAL ADVISERS, INC.

By _____
Title

TRANSAMERICA LIFE INSURANCE
AND ANNUITY COMPANY

By _____
Title

EXECUTIVE LIFE INSURANCE COMPANY

By _____
Title

THE UNION LABOR LIFE INSURANCE
COMPANY

By _____
Title

TEACHERS INSURANCE AND ANNUITY
ASSOCIATION OF AMERICA

By _____
Title

AETNA LIFE INSURANCE COMPANY

By David J. Lusk
Title Investment Officer

AETNA INSURANCE COMPANY

By CIGNA CAPITAL ADVISERS, INC.

By _____
Title

TRANSAMERICA LIFE INSURANCE
AND ANNUITY COMPANY

By _____
Title

EXECUTIVE LIFE INSURANCE COMPANY

By _____
Title

THE UNION LABOR LIFE INSURANCE
COMPANY

By _____
Title

TEACHERS INSURANCE AND ANNUITY
ASSOCIATION OF AMERICA

By _____
Title

AETNA LIFE INSURANCE COMPANY

By _____
Title

AETNA INSURANCE COMPANY

By CIGNA CAPITAL ADVISERS, INC.

By Denise T. Duffee
Title

DENISE T. DUFFEE

ASSISTANT VICE PRESIDENT
TRANSAMERICA LIFE INSURANCE
AND ANNUITY COMPANY

By _____
Title

EXECUTIVE LIFE INSURANCE COMPANY

By _____
Title

THE UNION LABOR LIFE INSURANCE
COMPANY

By _____
Title

TEACHERS INSURANCE AND ANNUITY
ASSOCIATION OF AMERICA

By _____
Title

AETNA LIFE INSURANCE COMPANY

By _____
Title

AETNA INSURANCE COMPANY

By CIGNA CAPITAL ADVISERS, INC.

By _____
Title

TRANSAMERICA LIFE INSURANCE
AND ANNUITY COMPANY

By Charles A. Probst
Title Investment Officer

EXECUTIVE LIFE INSURANCE COMPANY

By _____
Title

THE UNION LABOR LIFE INSURANCE
COMPANY

By _____
Title

TEACHERS INSURANCE AND ANNUITY
ASSOCIATION OF AMERICA

By _____
Title

AETNA LIFE INSURANCE COMPANY

By _____
Title

AETNA INSURANCE COMPANY

By CIGNA CAPITAL ADVISERS, INC.

By _____
Title

TRANSAMERICA LIFE INSURANCE
AND ANNUITY COMPANY

By _____
Title

EXECUTIVE LIFE INSURANCE COMPANY

By Barbara Pokart
Title attorney-in-fact

THE UNION LABOR LIFE INSURANCE
COMPANY

By _____
Title

TEACHERS INSURANCE AND ANNUITY
ASSOCIATION OF AMERICA

By _____
Title

AETNA LIFE INSURANCE COMPANY

By _____
Title

AETNA INSURANCE COMPANY

By CIGNA CAPITAL ADVISERS, INC.

By _____
Title

TRANSAMERICA LIFE INSURANCE
AND ANNUITY COMPANY

By _____
Title

EXECUTIVE LIFE INSURANCE COMPANY

By _____
Title

THE UNION LABOR LIFE INSURANCE
COMPANY

By Herbert Chanover
Title V.P.


TRAILER TRAIN COMPANY

By RC Burlington
Title *PRESIDENT AND CHIEF EXECUTIVE OFFICER*

STATE OF *Illinois*)
COUNTY OF *Cook*) ss.:

On this *15th* day of October, 1984, before me personally appeared *R.C. Burton, Jr.*, to me personally known, who, being by me duly sworn, says that he is the *President and Chief Executive Officer of Railgin Company*

, one of the corporations described in and which executed the foregoing instrument, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



Notary Public

[Notarial Seal]

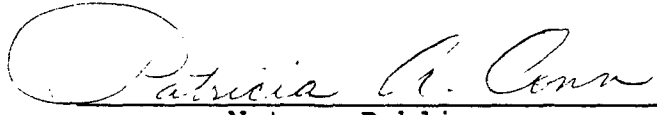
My Commission Expires:

My Commission Expires October 28, 1987

STATE OF *Maryland*)
COUNTY OF *Baltimore*) ss.:

On this *12th* day of October, 1984, before me personally appeared THOMAS A. SUMMERLIN, to me personally known, who, being by me duly sworn, says that he is the VICE PRESIDENT of

MERCHANTILE SAFE DEPOSIT AND TRUST COMPANY, one of the corporations described in and which executed the foregoing instrument, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.


Notary Public

[Notarial Seal]

My Commission Expires: *7-1-86*

STATE OF Connecticut)
) ss.:
COUNTY OF Hartford)

On this 12th day of October, 1984, before me personally appeared F. W. Kawam to me personally known, who, being by me duly sworn, says that he is the Vice President of The Connecticut Bank and Trust, N.A., one of the corporations described in and which executed the foregoing instrument, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.


Notary Public

RUTH A. EMERSON
NOTARY PUBLIC
MY COMMISSION EXPIRES MARCH 31, 1989

[Notarial Seal]

My Commission Expires:

STATE OF Connecticut)
) ss.:
COUNTY OF FAIRFIELD)

On this 15 day of October, 1984, before me personally appeared H. W. Gerte, to me personally known, who, being by me duly sworn, says that he is the Manager-Special Projects of General Electric Credit Corporation, one of the corporations described in and which executed the foregoing instrument, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Anna M Delahunt
Notary Public

[Notarial Seal]

My Commission Expires:

ANNA MARIE DELAHUNT
NOTARY PUBLIC
MY COMMISSION EXPIRES MARCH 31, 1985

STATE OF *New York*)
) SS.:
COUNTY OF *New York*)

On this *12th* day of October, 1984, before me personally appeared *Peter S. Hadley and Richard G. Clarke*, to me personally known, who, being by me duly sworn, says that *they* ^(are) ~~is~~ the *Senior V-P and Asst. Gen. Counsel, respectively, of Metropolitan Life*

Insurance Company, one of the corporations described in and which executed the foregoing instrument, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and ~~they~~ acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Diane Baldelli

Notary Public /

[Notarial Seal]

My Commission Expires:

DIANE BALDELLI
NOTARY PUBLIC, State of New York
No. 24-4773439
Qualified in Kings County
Certificate filed in New York County
Commission Expires March 30, 1985

STATE OF *NEW YORK*)
COUNTY OF *NEW YORK*) SS.:

On this *15TH* day of October, 1984, before me personally appeared *EARL L. NELSON*, to me personally known, who, being by me duly sworn, says that he is the *ASSISTANT SECRETARY* of *MORGAN GUARANTY*

TRUST COMPANY OF N.Y., one of the corporations described in and which executed the foregoing instrument, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Harvey Fermaglich
Notary Public

[Notarial Seal]

My Commission Expires: *3/30/85*

HARVEY FERMAGLICH
Notary Public, State of New York
No. 31-4501681
Qualified in New York County
Commission Expires Mar. 30, 1985

STATE OF *Massachusetts*)
COUNTY OF *Suffolk*) ss.:

On this *15th* day of October, 1984, before me personally appeared *Evans R. DeHilly*, to me personally known, who, being by me duly sworn, says that he is the *Investment Officer* of *John Hancock Mutual*

Life Insurance Company, one of the corporations described in and which executed the foregoing instrument, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Winifred A. Wright

Notary Public

[Notarial Seal]

My Commission Expires: *Aug 15, 1986*

STATE OF Conn)
COUNTY OF Hartford) ss.:

On this 12th day of October, 1984, before me personally appeared Rosemary T. Strake, to me personally known, who, being by me duly sworn, says that he is the Second Vice President of PHOENIX MUTUAL LIFE INSURANCE COMPANY, one of the corporations described in and which executed the foregoing instrument, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Elizabeth Jane Emmerling
Notary Public

[Notarial Seal]

My Commission Expires:

ELIZABETH JANE EMMERLING
NOTARY PUBLIC
MY COMMISSION EXPIRES MARCH 31, 1987

STATE OF New York,
COUNTY OF New York } ss.:

On this 15th day of October, 1984, before me personally appeared James F. Blair, to me personally known, who, being by me duly sworn, says that he is the Second Vice President of Teachers Insurance and Annuity Association of America, one of the corporations described in and which executed the foregoing instrument, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Anna M. Jefferson
Notary Public

ANNA M. JEFFERSON
Notary Public, State of New York
No. 47-39051
Qualified in Bronx County
Commission Expires March 30, 1985

[Notarial Seal]

My Commission Expires:

STATE OF Connecticut)
COUNTY OF Hartford) ss.:

On this 12th day of October, 1984, before me personally appeared David E. Bushong, to me personally known, who, being by me duly sworn, says that he is the Investment officer of Aetna Life

Insurance Company, one of the corporations described in and which executed the foregoing instrument, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Susan D. Thomas
Notary Public

[Notarial Seal]

My Commission Expires:

S. D. THOMAS
Notary Public Within and for
the State of Connecticut
MY COMMISSION EXPIRES MARCH 31, 1987

STATE OF

COUNTY OF

)
) ss.: *Bloomfield*
)

On this 12th day of October, 1984, before me personally appeared *Dennis T. Duffee*, to me personally known, who, being by me duly sworn, says that he ~~he~~ *she* is the *Assistant Vice President* of *CIGNA Capital Advisors, Inc.*, one of the corporations described in and which executed the foregoing instrument, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Joan T. Darcy

Notary Public

[Notarial Seal]

My Commission Expires:

My Comm. Expires Mar. 31 1987

STATE OF *California*)
) ss.:
COUNTY OF *Los Angeles*)

On this *12th* day of October, 1984, before me personally appeared *Charles R. Drake*, to me personally known, who, being by me duly sworn, says that he is the Investment Officer of Transamerica Life Insurance and Annuity Company,

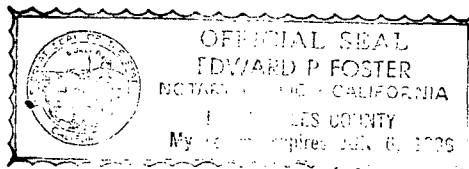
, one of the corporations described in and which executed the foregoing instrument, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Edward P. Foster

Notary Public

[Notarial Seal]

My Commission Expires:



STATE OF CALIF.)
COUNTY OF Los Angeles) ss.:

On this 15 day of October, 1984, before me personally appeared BARBARA FOKART, to me personally known, who, being by me duly sworn, says that he is the ATTORNEY-IN-FACT of EXECUTIVE LIFE

INSURANCE Co., one of the corporations described in and which executed the foregoing instrument, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



Notary Public

[Notarial Seal]

My Commission Expires:




STATE OF DISTRICT OF)
COUNTY OF COLUMBIA) SS.:
CITY OF WASHINGTON)

On this 15th day of October, 1984, before me personally appeared HERBERT C. CANAPAY, to me personally known, who, being by me duly sworn, says that he is the VICE PRESIDENT of THE UNION LABOR LIFE INSURANCE COMPANY, one of the corporations described in and which executed the foregoing instrument, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



[Notarial Seal]


Notary Public

MY COMMISSION EXPIRES OCTOBER 14, 1988

My Commission Expires:

STATE OF *Illinois*)
COUNTY OF *Cook*) ss.:

On this *15th* day of October, 1984, before me personally appeared *R.C. BURTON, JR.*, to me personally known, who, being by me duly sworn, says that he is the ~~PRESIDENT AND CHIEF EXECUTIVE OFFICER~~ of TRAILER TRAIN COMPANY

, one of the corporations described in and which executed the foregoing instrument, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Steven O'Brien

Notary Public

[Notarial Seal]

My Commission Expires:

My Commission Expires October 28, 1987

Schedule 1

Investors' Percentages of Payments from
Chessie Lessees

<u>Investor</u>	<u>Chessie CSA Indebtedness</u>	<u>Pro Rata Share of Each Payment of Chessie CSA Indebt- edness for Investors Under Railgon Leases 1 & 2</u>
<u>Lease No. 1</u>		
John Hancock	1,448,043.09	6.1022935%
Metropolitan Life	6,730,197.27	28.3621665%
Morgan-Schmidt	2,896,086.17	12.2045870%
Phoenix Mutual	<u>505,077.43</u>	2.1284800%
Total	\$11,579,403.96	
<u>Lease No. 2</u>		
Teachers	6,151,942.12	25.9253028%
Aetna Life	1,537,985.51	6.4813257%
Cigna	1,537,985.52	6.4813256%
Transamerica Life	1,230,388.43	5.1850606%
Executive Life	615,194.22	2.5925303%
Phoenix Mutual	615,194.22	2.5925303%
Union Labor Life	<u>461,395.66</u>	<u>1.9443977%</u>
Total	\$12,150,085.68	
Total Leases 1 & 2	<u>\$23,729,489.64</u>	<u>100%</u>

<u>Investors</u>	<u>Chessie CSA Indebtedness</u>	<u>Pro Rata Share of Each Payment of Chessie CSA Indebt- edness for Investors Under Railgon Lease 3</u>
<u>Lease No. 3</u>		
Metropolitan Life	12,270,510.36	100%
Grand Total Leases 1, 2 & 3:	<u>\$36,000,000.00</u>	

Schedule 2

Chessie Payments Allocable to First Lease and Second Lease

AMORTIZATION SCHEDULE - \$23,729,489.64 @ 8.75%

PAYMENT	INTEREST	PRINCIPAL	TOTAL PAYMENT	PAYMENT FACTOR	PRINCIPAL BALANCE
					23729489.64
1	1038165.17	-210722.81	827442.36	0.034870	23940212.45
2	1047384.29	-220205.34	827178.95	0.034859	24160417.79
3	1057018.28	-230114.58	826903.70	0.034847	24390532.37
4	1067085.79	-240469.74	826616.05	0.034835	24631002.11
5	1077606.34	-251290.87	826315.47	0.034822	24882292.98
6	1088600.32	-262598.96	826001.35	0.034809	25144891.94
7	1100089.02	-274415.91	825673.11	0.034795	25419307.85
8	1112094.72	-286764.63	825330.09	0.034781	25706072.49
9	1124640.67	737878.18	1862518.85	0.078490	24968194.31
10	1092358.50	771082.69	1863441.19	0.078528	24197111.62
11	1058623.63	805781.42	1864405.05	0.078569	23391330.20
12	1023370.70	842041.58	1865412.28	0.078612	22549288.62
13	986531.38	879933.45	1866444.83	0.078656	21669355.17
14	948034.29	919530.46	1867564.75	0.078702	20749824.72
15	907804.83	960909.33	1868714.16	0.078751	19788915.39
16	865765.05	1004150.25	1869915.30	0.078801	18784765.14
17	821833.47	1049337.01	1871170.48	0.078854	17735428.13
18	775924.98	1096557.17	1872482.15	0.078909	16638870.96
19	727950.60	1145902.24	1873852.85	0.078967	15492968.72
20	677817.38	1197467.85	1875285.23	0.079028	14295500.87
21	625428.16	1251353.90	1876782.06	0.079091	13044146.97
22	570681.43	1307664.82	1878346.25	0.079157	11736482.15
23	513471.09	1366509.74	1879980.84	0.079226	10369972.41
24	453686.29	1428002.68	1881688.97	0.079297	8941969.73
25	391211.18	1492262.80	1883473.98	0.079373	7449706.92
26	325924.68	1559414.63	1885339.31	0.079451	5890292.29
27	257700.29	1629588.29	1887288.57	0.079533	4260704.01
28	186405.80	1702919.76	1889325.56	0.079619	2557784.25
29	111903.06	1779551.15	1891454.21	0.079709	778233.10
30	34047.70	778233.10	812280.80	0.034231	.00
	23069159.11	23729489.64	46798648.75		

Schedule 3

Chessie Payments Allocable to Third Lease

AMORTIZATION SCHEDULE - \$12,270,510.36 @ 9.483465823%

PAYMENT	INTEREST	PRINCIPAL	TOTAL PAYMENT	PAYMENT FACTOR	PRINCIPAL BALANCE
					12270510.36
1	581834.83	-108964.69	472870.14	0.019928	12379475.05
2	587001.64	-113868.10	473133.54	0.019939	12493343.15
3	592400.96	-118992.16	473408.80	0.019950	12612335.31
4	598043.23	-124346.81	473696.44	0.019962	12736682.12
5	603939.43	-129942.42	473997.03	0.019975	12866624.54
6	610100.97	-135789.83	474311.14	0.019988	13002414.37
7	616539.76	-141900.37	474639.39	0.020002	13144314.74
8	623268.30	-148285.89	474982.41	0.020017	13292600.62
9	630299.62	381556.53	1011856.15	0.042641	12911044.09
10	612207.23	398726.58	1010933.80	0.042602	12512317.51
11	593300.68	416669.27	1009969.95	0.042562	12095648.24
12	573543.33	435419.39	1008962.72	0.042519	11660228.85
13	552896.91	455013.26	1007910.17	0.042475	11205215.59
14	531321.40	475488.86	1006810.26	0.042429	10729726.72
15	508774.98	496885.86	1005660.84	0.042380	10232840.86
16	485213.98	519245.72	1004459.71	0.042330	9713595.14
17	460592.74	542611.78	1003204.52	0.042277	9170983.36
18	434863.54	567029.31	1001892.85	0.042221	8603954.05
19	407976.52	592545.63	1000522.15	0.042164	8011408.42
20	379879.59	619210.18	999089.77	0.042103	7392198.24
21	350518.30	647074.64	997592.94	0.042040	6745123.60
22	319835.75	676193.00	996028.74	0.041974	6068930.60
23	287772.48	706621.69	994394.17	0.041905	5362308.91
24	254266.37	738419.66	992686.03	0.041833	4623889.25
25	219252.48	771648.55	990901.03	0.041758	3852240.71
26	182662.97	806372.73	989035.70	0.041680	3045867.98
27	144426.92	842659.50	987086.43	0.041597	2203208.47
28	104470.26	880579.18	985049.44	0.041512	1322629.29
29	62715.53	920205.24	982920.79	0.041422	402424.03
30	19081.87	402424.05	421505.92	0.017763	.00

12929002.62 12270510.36 25199312.98

Schedule 4

Exhibit F

Payments of Principal to Each Investor
During Override Period

Lease No. 1

	<u>Metropolitan Life</u>	<u>Morgan-Schmidt</u>	<u>John Hancock</u>	<u>Phoenix Mutual</u>
6/15/84	\$388,710.94	\$167,267.07	\$83,633.54	\$29,171.38
12/15/84	253,765.93	109,198.58	54,599.30	19,044.24
6/15/85	270,260.72	116,296.49	58,148.25	20,282.11
12/15/85	287,827.66	123,855.77	61,927.88	21,600.45
6/15/86	306,536.46	131,906.39	65,953.20	23,004.48
12/15/86	326,461.33	140,480.30	70,240.15	24,499.77
6/15/87	347,681.32	149,611.53	74,805.76	26,092.26
12/15/87	370,280.60	159,336.27	79,668.14	27,788.25

Note: Source is new TSO Investor Amortization System. Dollar amounts will not match exactly to official records of the Agent due to rounding errors.

Amended October 15, 1984

Lease No. 2

	<u>Teachers</u>	<u>Aetna Life</u>	<u>Aetna (as Assignee of Connecticut General)</u>	<u>TransAmerica</u>	<u>Executive Life</u>	<u>Phoenix Mutual</u>	<u>Union Labor Life</u>
6/15/84	\$345,345.85	\$86,336.47	\$86,336.47	\$69,069.17	\$34,534.59	\$34,534.59	\$25,900.95
12/15/84	225,455.48	56,363.87	56,363.87	45,091.10	22,545.55	22,545.55	16,909.15
6/15/85	240,110.09	60,027.52	60,027.52	48,022.02	24,011.01	24,011.01	18,008.25
12/15/85	255,717.25	63,929.32	63,929.32	51,143.45	25,571.72	25,571.72	19,178.79
6/15/86	272,338.87	68,084.72	68,084.72	54,467.78	27,233.89	27,233.89	20,425.41
12/15/86	290,040.89	72,510.22	72,510.22	58,008.18	29,004.09	29,004.09	21,753.10
6/15/87	308,893.55	77,223.39	77,223.39	61,778.71	30,889.36	30,889.36	23,167.01
12/15/87	328,971.63	82,242.91	82,242.91	65,794.33	32,897.16	32,897.16	24,672.89

Note: Source is new TSO Investor Amortization System. Dollar amounts will not match exactly to official records of the Agent due to rounding errors.

Amended October 15, 1984

Lease No. 3

Metropolitan Life

6/15/84	\$564,775.89
12/15/84	372,170.17
6/15/85	400,082.93
12/15/85	430,089.16
6/15/86	462,345.84
12/15/86	497,021.78
6/15/87	534,298.42
12/15/87	574,370.79

Note: Source is new TSO Investor Amortization System. Dollar amounts will not match exactly to official records of the Agent due to rounding errors.

Amended October 15, 1984

Schedule 5

Exhibit G

Payments to the Owner
During Override Period

- Lease 1: Owner receives \$36.93 on each Lease Payment Date during the Override Period.
- Lease 2: Owner receives \$17,915.31 on each Lease Payment Date during the Override Period.
- Lease 3: Owner receives \$.01 on each Lease Payment Date during the Override Period.

Amended October 15, 1984

EXHIBIT A

LEASE OF RAILROAD EQUIPMENT

Dated as of October 15, 1984

Between

THE BALTIMORE AND OHIO RAILROAD COMPANY, Lessee

and

THE CONNECTICUT BANK AND TRUST COMPANY,
NATIONAL ASSOCIATION, Trustee

Covering

1000 52' 6" 100-ton Capacity
Fixed End Gondola Cars

LEASE OF RAILROAD EQUIPMENT, dated as of October 15, 1984 (this "Lease"), between THE BALTIMORE AND OHIO RAILROAD COMPANY, a Maryland corporation (hereinafter called the Lessee), and THE CONNECTICUT BANK AND TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association, acting not in its individual capacity but solely as Trustee (hereinafter, together with its successors and assigns, called the Owner-Trustee) acting under certain Trust Agreements, dated as of October 1, 1980 and February 1, 1981, as amended (hereinafter called the Trust Agreement), with GENERAL ELECTRIC CREDIT CORPORATION (hereinafter called the Owner).

WHEREAS, the Owner-Trustee entered into three conditional sale agreements, one of which is dated as of July 1, 1980, one of which is dated as of October 15, 1980, and one of which is dated as of February 1, 1981, as amended (as such agreements relate to the Units (as defined below) covered hereby to be hereinafter individually and collectively referred to as the Security Document) with the manufacturers specified in Item 1 of Annex A to such Security Document (hereinafter individually called a Builder and collectively the Builders) wherein the Builders agreed to manufacture, sell and deliver to the Owner-Trustee the units of railroad equipment described in Annex B thereto; and

WHEREAS, each Builder assigned certain of its interests in its Security Document to Mercantile-Safe Deposit and Trust Company, as agent (hereinafter, together with its successors and assigns, called the Vendor) for the investors (the "Investors") described in such Security Document, pursuant to, in each case, an Agreement and Assignment (hereinafter individually called an Assignment and collectively the Assignments); and

WHEREAS, the Owner-Trustee entered into three participation agreements, one of which is dated as of July 1, 1980, one of which is dated as of October 15, 1980, and one of which is dated as of February 1, 1981 (such agreements, as amended, to be hereinafter individually and collectively referred to as the "Participation Agreement"); and

WHEREAS, the Owner-Trustee has leased the equipment delivered and accepted and settled for under the Security Document to Railgon Company (hereinafter called Railgon), under Leases of Railroad Equipment dated as of July 1, 1980, October 15, 1980 and February 1, 1981 (hereinafter individually and collectively called the Original Lease); and

WHEREAS, the Lessee desires to lease from the Owner-Trustee 1000 units of equipment subject to the Original Lease as are further described in Schedule A hereto at the rentals and further terms and upon the conditions hereinafter provided (such units of equipment being hereinafter called "Units"); and

WHEREAS, Railgon has agreed to delete such Units from the terms and conditions of the Original Lease; and

WHEREAS, the Owner-Trustee will assign this Lease for security to the Vendor pursuant to an Assignment of Lease (hereinafter called the Lease Assignment) and the Lessee will consent to the Lease Assignment pursuant to a Lessee's Consent (hereinafter called the Consent);

NOW, THEREFORE, in consideration of the rentals to be paid and the covenants hereinafter mentioned to be kept and performed by the Lessee, the Owner-Trustee hereby leases the Units to the Lessee, consisting of 1000 Units of the equipment which were still subject to the Original Lease as of the date hereof, as shown on Schedule A hereto, upon the following terms and conditions:

§1. Abatements, Reductions and Set-Offs. This Lease is a net lease. Lessee's obligation to pay all rentals and other amounts hereunder is absolute and unconditional and, except as herein provided, the Lessee shall not be entitled to any abatement of rent, reduction thereof or set-off against rent, including, but not limited to, abatements, reductions or setoffs due or alleged to be due by reason of any past, present or future claims of the Lessee against Railgon, the Owner or the Owner-Trustee whether under this Lease, under the Security Document or otherwise, including the Lessee's rights by subrogation thereunder against the Vendor or otherwise; nor, except as otherwise expressly provided herein, shall this Lease terminate, or the respective obligations of the Owner-Trustee or the Lessee be otherwise affected, by reason of any defect in or damage to or loss of possession or loss of use or destruction of all or any of the Units from whatsoever cause, including, but not limited to, any liens, encumbrances or rights of others with respect to any of the Units, the prohibition of or other restriction against the lessee's use of all or any of the Units, the interference with such use by any person or entity, the invalidity or unenforceability or lack of due authorization

of this Lease, any insolvency of or bankruptcy, reorganization or similar proceeding against the Lessee, or for any other cause whether similar or dissimilar to the foregoing, any present or future law to the contrary notwithstanding, it being the intention of the parties hereto that the rents and other amounts payable by the Lessee hereunder shall continue to be payable in all events in the manner and at the times herein provided unless the obligation to pay the same shall be terminated pursuant to the express provisions of this Lease; provided, however, that notwithstanding anything to the contrary in this Section 1, Lessee's obligation to pay all rentals and other amounts hereunder shall be subject to abatement or reduction if, and to the extent that, the Lessee shall lose its right to the possession, enjoyment, and use of any of the Units as a result of any insolvency, bankruptcy, reorganization or similar proceeding against Railgon or against the Owner or the Owner-Trustee. To the extent permitted by applicable law, the Lessee hereby waives any and all rights which it may now have or which at any time hereafter may be conferred upon it, by statute or otherwise, to terminate, cancel, quit or surrender the lease of any of the Units except in accordance with the express terms hereof. Each rental or other payment made by the Lessee hereunder shall be final and the Lessee shall not seek to recover all or any part of such payment from the Owner-Trustee, the Owner or the Vendor for any reason whatsoever.

§2. Delivery and Acceptance of Units. The Owner-Trustee will cause the Units to be delivered to the Lessee at the place or places in the United States of America specified in Annex A hereto, freight charges, if any, to be paid, in accordance with the terms and conditions of Railgon's Form G Contract with the Lessee but not, in any event, by the Lessee. Upon such delivery, the Lessee will cause an inspector of the Lessee to inspect each Unit, and if such Unit is found to be acceptable, to accept delivery of such Unit and execute and deliver to the Owner-Trustee a certificate of acceptance and delivery (hereinafter called the "Certificate of Acceptance") stating that such Unit has been inspected and accepted on behalf of the Lessee on the date of such Certificate of Acceptance and is marked in accordance with §5 hereof, whereupon such Unit shall be deemed to have been delivered to and accepted by the Lessee and shall be subject thereafter to all the terms and conditions of this Lease.

§3. Rentals. The Lessee agrees to pay to the Owner-Trustee, as rental for each Unit subject to this Lease, 32 consecutive semiannual payments, payable in arrears. Each of the first eight semiannual payments shall be in the amount of \$866.875 per Unit and each of the remaining 24 semiannual payments shall be in the amount of \$1,916.25 per Unit. Semiannual rent shall be due and payable and shall be paid on April 15, 1985 and thereafter on each April 15th and October 15th through and including October 15, 2000; provided, however, that if such semiannual payment date is not a business day such rent shall be due and payable and shall be paid on the business day next succeeding such semiannual payment date. The term "business day" as used herein means any calendar day, excluding Saturdays, Sundays, and on any other day in which banking institutions in Baltimore, Maryland, New York, New York or Hartford, Connecticut are authorized or obligated to remain closed.

For so long as the Security Document shall remain in effect, the Owner-Trustee irrevocably instructs the Lessee to make all the payments due the Owner-Trustee provided for in this Lease (other than payments which by the express terms of §§6, 9, and 17 of this Lease are payable directly to the Owner-Trustee or the Owner) to the Vendor, for the account of the Owner-Trustee in its capacity as trustee, in care of the Vendor, with instructions to the Vendor (a) first to apply such payments to satisfy the obligations of the Owner-Trustee under the Security Document and the Participation Agreement known to the Vendor to be due and payable thereunder on the date such payments are due and payable hereunder and (b) second, so long as no event of default under the Security Document shall have occurred and be continuing, to pay any balance promptly to the Owner-Trustee or to the order of the Owner-Trustee in immediately available funds at such place as the Owner-Trustee shall specify in writing.

The Lessee agrees to make each payment provided for herein as contemplated by this §3 in immediately available funds at or prior to 11:00 a.m. in the city where such payment is to be made.

§4. Term of Lease. The term of this Lease as to each Unit shall commence as of the date hereof and, subject to the provisions of §§7, 10 and 13 hereof, shall terminate

on the date on which the final payment of rent in respect thereof is due pursuant to §3 hereof. The obligations of the Lessee hereunder (including, but not limited to, the obligations under §§3, 6, 7, 9, 11, 13, 14 and 18 hereof) shall survive the expiration of the term of this Lease.

Notwithstanding anything to the contrary contained herein, all rights and obligations of the Lessee under this Lease and in and to the Units are subject to the rights of the Vendor under the Security Document and the Lease Assignment; provided, however, that, so long as no Event of Default hereunder, or an event that with the passage of time, or the giving of notice, or both, would constitute an Event of Default, shall have occurred and be continuing, the Vendor shall not interfere with the Lessee's possession, enjoyment and use of the Units.

§5. Identification Marks. The Lessee will cause each Unit to be renumbered with its identifying number as set forth in Schedule A hereto, or in the case of any Unit not there listed such identifying number as shall be set forth in any amendment or supplement hereto extending this Lease to cover such Unit, and will keep and maintain, plainly, distinctly, permanently and conspicuously marked on each side of each Unit, in letters not less than one inch in height, the words, "Ownership Subject to a Security Agreement Filed with the Interstate Commerce Commission", or other appropriate words designated by the Owner-Trustee, with appropriate changes thereof and additions thereto as from time to time may be required by law or reasonably requested in order to protect the Owner-Trustee's title to and the Vendor's security interest in such Unit and the rights of the Owner-Trustee under this Lease and of the Vendor under the Security Document. The Lessee will not place or permit any such Unit to be placed in operation or exercise any control or dominion over the same until such name and words shall have been so marked on both sides thereof and will replace or cause to be replaced promptly any such name and words which may be removed, defaced, obliterated or destroyed. The Lessee will not change or permit to be changed the identifying number of any Unit unless and until (i) a statement of new number or numbers to be substituted therefor shall have been filed with the Vendor and the Owner-Trustee and filed, recorded and deposited by the Lessee in all public offices where this Lease and the Security Document shall have been filed, recorded and deposited

and (ii) the Lessee shall have furnished the Vendor and the Owner-Trustee an opinion of counsel to the effect that such statement has been so filed, recorded and deposited, such filing, recordation and deposit will protect the Vendor's and the Owner-Trustee's interests in such Units and no filing, recording, deposit or giving of notice with or to any other federal, state or local government or agency thereof is necessary to protect the interests of the Vendor and the Owner-Trustee in such Units.

The Units may be lettered with the names or initials or other insignia customarily used by the Lessee or its affiliates on railroad equipment used by it of the same or similar type for convenience of identification of its right to use the Units under this Lease, and the Units may be lettered in an appropriate manner for convenience of identification of the interest of the Lessee therein. Except as above provided, the Lessee will not allow the name of any person, association or corporation to be placed on any Unit as a designation that might be interpreted as a claim of ownership.

§6. Taxes. The Lessee agrees to pay, and to indemnify and hold the Owner-Trustee (in both its individual and fiduciary capacities), the Owner, the Vendor, the Investors and the trust estate held by the Owner-Trustee under the Trust Agreement and by the Vendor under the Security Document (each such entity to be indemnified to be referred to as an "Indemnitee" and collectively as the "Indemnitees") harmless from, all taxes, assessments, fees and charges of any nature whatsoever, together with any penalties, fines, additions to tax or interest thereon, howsoever imposed, whether levied or imposed upon any of the Indemnitees, or otherwise, by any federal, state or local government or governmental subdivision in the United States or by any foreign country or subdivision thereof, upon or with respect to: any Unit or any part thereof; the ownership, delivery, leasing, possession, use, operation, transfer of title, return or other disposition thereof; the rentals, receipts or earnings arising therefrom; this Lease, the Lease Assignment, the Consent, the Trust Agreement, the Participation Agreement, the Security Document or the assignment of the Security Document (all of such documents to be referred to collectively as the "Financing Documents") and any payment made pursuant to any such agreement, or the property, the income or other proceeds received with respect to property

held in such trust estate or by the Vendor under the Security Document, (all such taxes, assessments, fees, charges, penalties, fines, additions to tax and interest imposed as aforesaid being hereinafter called "Taxes"); excluding, however: (i) any Taxes of the United States or of any state or political subdivision thereof and (if and to the extent that any Indemnitee is indemnified by Railgon pursuant to Paragraph 9 of the Participation Agreement) of any foreign country or of any subdivision thereof, imposed on or measured solely by the gross or net income or excess profits or based on capital employed if the tax is in lieu of a tax imposed on or measured by such gross or net income or excess profits of the Owner-Trustee (in its individual capacity), or the Owner, the Investors or the Vendor (in its individual capacity) other than Taxes arising out of or imposed in respect of the receipt of indemnification payments pursuant to this Lease; (ii) any Taxes imposed as a direct result of a voluntary transfer or other voluntary disposition by the Owner or any transfer or disposition by the Owner resulting from bankruptcy or other proceedings for the relief of debtors in which the Owner is the debtor, whether voluntary or involuntary, of any interest in any Unit or interest in rentals under this Lease, unless, in each case, such transfer or disposition is in connection with a Casualty Occurrence or an Event of Default hereunder shall have occurred and be continuing; (iii) any Taxes imposed on or measured by any trustee or agency fees or compensation received by the Owner-Trustee or the Vendor; and (iv) any Taxes which are imposed on or measured solely by the gross or net income or based on capital employed if the tax is in lieu of a tax imposed on or measured by such gross or net income or excess profits of the Owner-Trustee, the Investors or the Vendor, if and to the extent that such Taxes are in substitution for or reduce the Taxes payable by any other person which the Lessee has not agreed to pay or indemnify against pursuant to this §6; provided, however, that the Lessee shall not be required to pay any Taxes during the period it may be contesting the same in the manner provided in the next succeeding paragraph. The Lessee further agrees to pay on or before the time or times prescribed by law any tax imposed on or measured solely by the gross or net income of the Lessee (or the affiliated group, within the meaning of Section 1504 of the Internal Revenue Code of 1954, as amended, of which the Lessee is a member), under the laws of the United States or of any state or political subdivision thereof, or of any foreign country or subdivision thereof

which, if unpaid, might result in a lien or other encumbrance upon any Unit; provided, however, that the Lessee shall not be required to pay any such tax during the period it may be contesting the same in good faith by appropriate proceedings.

If claim is made against any Indemnatee for any Taxes indemnified against under this §6, such Indemnatee shall promptly notify the Lessee. If reasonably requested by the Lessee in writing, such Indemnatee shall, upon receipt of any indemnity satisfactory to it for all costs, expenses, losses, legal and accountants' fees and disbursements, penalties, fines, additions to tax and interest, and at the expense of the Lessee, contest in good faith the validity, applicability or amount of such Taxes by (a) resisting payment thereof if possible, (b) not paying the same except under protest, if protest is necessary and proper, and (c) if payment is made, using reasonable efforts to obtain a refund thereof in appropriate administrative or judicial proceedings, or both. The Lessee may also contest, at its own expense, the validity, applicability or amount of such Taxes in the name of such Indemnatee; provided that, no proceeding or actions relating to such contest shall be commenced (nor shall any pleading, motion, brief or other paper be submitted or filed in the name of such Indemnatee, in any such proceeding or action) without the prior written consent of such Indemnatee, as the case may be. If such Indemnatee shall obtain a refund of all or any part of such Taxes previously reimbursed by the Lessee in connection with any such contest or an amount representing interest thereon applicable to the amount paid by the Lessee and the period of such payment, such Indemnatee shall pay the Lessee the amount of such refund or interest net of expenses; provided, however, that no Event of Default and no event which with notice or lapse of time or both would constitute an Event of Default shall have occurred and be continuing.

In case any report or return is required to be made with respect to any obligation of the Lessee under this §6 or arising out of this §6, except obligations resulting from the second sentence of the first paragraph of this §6, the Lessee shall either make such report or return in such manner as will show the interests of the Owner-Trustee in the Units, or shall promptly notify the Owner-Trustee, the Owner and the Vendor of such requirement and shall make such report or return in such manner as shall be satisfactory to

the Owner-Trustee, the Owner and the Vendor. All costs and expenses (including legal and accountants' fees) of preparing any such return or report shall be borne by the Lessee.

All the obligations of the Lessee under this §6 shall survive and continue, but only with respect to periods included in the term of this Lease, notwithstanding payment in full of all amounts due under the Security Document or the termination of this Lease. All amounts payable by the Lessee pursuant to this §6 shall be payable directly to the indemnified party entitled to indemnification, except to the extent paid directly to a governmental agency or taxing authority as part of Lessee's report of railroad rolling stock for state and local ad valorem taxes and as to state and local sales and use taxes, pursuant to direct pay permits now held or hereafter obtained by the Lessee or otherwise, and except to the extent that the Lessee now holds or hereafter obtains exemptions from state and local sales and use taxes which may otherwise be applicable. The foregoing indemnities by the Lessee shall not constitute a guarantee by the Lessee of the payment of any installment of principal or interest payable under the Security Document or a guarantee of the residual value of the Units.

The Lessee shall maintain such records in accordance with its recordkeeping practices in respect of the Units as it would be required to maintain if the Lessee were the owner of the Equipment for Federal income tax purposes, and shall furnish promptly, upon request, such records and other information and data as are normally available to the Lessee and which the Owner-Trustee, the Vendor or the Owner reasonably may require to permit compliance with the requirements of any taxing authorities. Neither the Lessee nor any affiliate will at any time take any action or file any returns or other documents inconsistent with the treatment of the lease as a lease for Federal income tax purposes.

The amount of rentals payable hereunder are based on the assumption that the Owner, as the owner of the Units, will continue to be entitled to such deductions, credits and other benefits as are provided by the Internal Revenue Code and state and local taxing statutes to an owner of property, including, without limitation:

(A) a credit under Section 38 of the code equal to 10 percent of the Owner's original cost of the Units (the "Investment Credit");

(B) with respect to Units originally leased under a Lease of Railroad Equipment dated as of October 15, 1980, a depreciation allowance for each Unit beginning in 1980 and computed on the basis of the double declining balance method, changing to the sum of the years-digits method and then to the straight-line method in the years determined by the Owner as provided by Section 167(b) of the Internal Revenue Code and Reg. 51.167(a)-(11)(c)(1)(iii), and an asset depreciation period within the asset depreciation range specified for railroad equipment in Asset Guideline Class No. 00.25 of Revenue Procedure 77-10, pursuant to Reg. 51.167(a)-11(b)(4); and will be entitled to make the election to reduce gross salvage under Section 167(f)(1) of the Code (the "Depreciation Deductions"); and

(C) with respect to Units originally leased under a Lease of Railroad Equipment dated as of February 1, 1981, deductions under Section 168 of the Code with respect to the Owner's original cost, beginning in 1981 and calculated using the percentages set forth in Section 168(b)(1) of the Code for "5-year property" (the "Cost Recovery Deductions").

If by reason of any act of commission or omission (whether permitted or required by this Lease), any misrepresentation, breach of any agreement, covenant, or warranty contained herein or any exhibit thereto, on the part of the Lessee, or any sublessee or assignee of the Lessee, the Owner shall lose the right to claim, shall not claim (as the result of a good faith determination of tax counsel of the Owner (hereinafter referred to as "Tax Counsel") that such claim is not properly allowable), shall be delayed in claiming, shall suffer a disallowance of, or shall be required to recapture, all or any portion of the Investment Credit, the Depreciation Deductions or the Cost Recovery Deductions, or shall be required to treat any item of income, deduction or credit relating to the Units as derived from, or allocable to, sources outside the United States (any such event hereinafter referred to as a "Loss"), the Owner shall give to the Lessee notice of such Loss

accompanied by a written statement describing in reasonable detail the Loss and the computation of such amount as shall, in the reasonable opinion of the Owner, if paid on the next succeeding rental payment date subsequent to the Loss, cause the Owner's after-tax economic yields and cash flows (computed on the same assumptions, including tax rates, as were utilized by the Owner in originally evaluating this transaction) to equal the after-tax economic yields and cash flows that would have been realized by the Owner if such Loss had not occurred, and the Lessee shall pay such amount to the Owner on that date. The amounts payable pursuant to this paragraph shall be calculated based on the assumption that the Owner has sufficient income such that it is fully taxable at the tax rates set forth in the applicable schedule, regardless of the actual taxes paid by the Owner in any particular tax year. The Lessee shall not be required to indemnify the Owner for any Loss resulting from any event with respect to which Casualty Value has been fully paid to the extent that such Loss is reflected in such Casualty Value.

The Owner shall give the Lessee notice thereof if the Internal Revenue Service proposes an adjustment in the Federal income taxes of the Owner for which the Lessee would be required to indemnify the Owner, and if the amount of the indemnity which the Lessee would be required to pay exceeds \$100,000, then, if requested by the Lessee in a timely written request, the Owner shall request an opinion of independent tax counsel selected by the Owner, the cost of which shall be borne by the Lessee, as to whether the basis in law and in fact in favor of allowance of the item proposed to be adjusted outweighs the basis in law and in fact to the contrary. If the opinion is to that effect and if the Lessee promptly requests the Owner to do so, the Owner shall in good faith contest the proposed adjustment; provided, however, that Tax Counsel shall determine in its sole discretion the nature of all action to be taken to contest any such proposed adjustment including (A) whether any such action shall initially be by way of judicial or administrative proceedings, or both, (B) whether any such proposed adjustment shall be contested by resisting payment thereof or by paying the same and seeking a refund thereof, and (C) if the Owner shall undertake judicial action with respect to such proposed adjustment, the court or other judicial body before which such action shall be commenced. The Owner shall have full control over any contest pursuant to

this paragraph, and shall not be required to appeal an adverse determination by any court. At any time, whether before or after commencing to take any action pursuant to this paragraph, the Owner may, with respect to the proposed adjustment or any portion thereof, decline to take such action by notifying the Lessee in writing that the Lessee is relieved of its obligation to indemnify the Owner with respect to the portion thereof as to which it declined to take such action as may be specified in such notice, and shall repay the amounts advanced by the Lessee, if any, with respect to such adjustment, together with interest thereon at the Prime Rate.

The Owner shall not be required to take any action pursuant to the preceding paragraph unless and until the Lessee shall have agreed to indemnify the Owner in a manner reasonably satisfactory to the Owner for any liability or loss which the Owner may incur as a result of contesting the proposed adjustment and shall have agreed to pay the Owner on demand all costs and expenses which the Owner may incur in connection with contesting the proposed adjustment (including reasonable fees and disbursements of counsel selected by the Owner). If the Tax Counsel determines to contest any adjustment by paying the additional tax and suing for a refund, the Lessee shall advance on an interest-free basis to the Owner an amount equal on an after-tax basis to the sum of any tax, interest, penalties and additions to tax which are required to be paid, at the time such amounts are paid by the Owner. Upon receipt by the Owner of a refund of any amounts paid by it in respect of which it shall have been paid an amount by the Lessee pursuant to the foregoing sentence, the Owner shall repay to the Lessee the amount of such refund together with any interest received by it on such amount.

For purposes of this Section, the term "the Owner" shall include any affiliated group of which the Owner is, or may become, a member if consolidated, joint or combined returns are filed for such affiliated group for Federal, state or local income tax purposes.

§7. Payment for Casualty Occurrences; Insurance.
In the event that any Unit shall be or become worn out, lost, stolen, destroyed, irreparably damaged, or permanently rendered unfit for use from any cause whatsoever, or taken or requisitioned by condemnation or otherwise resulting in

loss of possession by the Lessee for a period of 90 consecutive days, except requisition for use by the United States Government for a period not in excess of the then remaining term of this Lease (such occurrences being hereinafter called Casualty Occurrences) during the term of this Lease, or until such Unit shall have been returned in the manner provided in §11 or §14 hereof, the Lessee shall promptly and fully notify the Owner-Trustee and the Vendor with respect thereto. On the semiannual payment date next succeeding the delivery of such notice (or, in the event such rental payment date will occur within 15 days after delivery of notice, on the following rental payment date, or, in the event the term of this Lease has already expired or will expire within 15 days after delivery of such notice, on a date within 15 days of such delivery ("Casualty Payment Date"), the Lessee shall pay to the Owner-Trustee an amount equal to the rental payment or payments in respect of such Unit due and payable on such Casualty Payment Date plus a sum equal to the Casualty Value (as hereinafter defined) of such unit as of the rental payment date which first follows the actual date of the Casualty Occurrence (regardless of the date on which the determination that such Unit suffered the Casualty Occurrence is made such rental payment date being hereinafter called "Calculation Date"). Upon the making of such payment by the Lessee in respect of any Unit, the rental for such Unit shall cease to accrue as of the Casualty Payment Date, the term of this Lease as to such Unit shall terminate and (except in the case of the loss, theft or complete destruction of such Unit) the Owner-Trustee shall be entitled to recover possession of such Unit.

If the Casualty Payment Date shall be after the term of this Lease in respect of such Unit has expired, no rental for such Unit shall accrue after the end of such term but the Lessee, in addition to paying the Casualty Value for such Unit, shall pay interest thereon from the end of such term to the Casualty Payment Date at a rate equal to the rate (the "Prime Rate") publicly announced from time to time by Morgan Guaranty Trust Company as its base lending rate for its most credit-worthy corporate customers.

The Owner-Trustee hereby appoints the Lessee its agent to dispose of any Unit suffering a Casualty Occurrence or any component thereof before and after the expiration of this lease, at the best price obtainable on an "as is, where

is" basis. Provided that the Lessee has previously paid the Casualty Value to the Owner-Trustee and is not in default hereunder or there exists no event which after notice or lapse of time or both would become a default hereunder, the Lessee shall be entitled to the proceeds of such sale to the extent they do not exceed the Casualty Value of such Unit, and shall pay any excess, less reasonable expenses incurred in connection therewith, to the Owner-Trustee.

The Casualty Value of each Unit as of the Calculation Date shall be that percentage of the Purchase Price (as set forth in Schedule B hereto) of such Unit as is set forth in Schedule B hereto opposite such date.

In the event of the requisition for use by the United States Government of any Unit during the term of this Lease or any renewal thereof, unless such requisition shall constitute a Casualty Occurrence, all of the Lessee's obligations under this Lease with respect to such Unit shall continue to the same extent as if such requisition had not occurred, except that if such Unit is returned by the Government at any time after the end of the term of this Lease or any renewal thereof, the Lessee shall be obligated to return such Unit to the Owner-Trustee pursuant to \$11 or \$14, as the case may be, promptly upon such return by the Government rather than at the end of the term of this Lease or any renewal thereof, but Lessee shall in all other respects comply with the provisions of said \$11 or \$14, as the case may be, with respect to such Unit. All payments received by the Owner-Trustee or the Lessee from the Government for the use of such Unit during the term of this Lease or any renewal thereof shall be paid over to, or retained by, the Lessee provided no Event of Default (or other event which after notice or lapse of time or both would become an Event of Default) shall have occurred and be continuing; and all payments received by the Owner-Trustee or the Lessee from the Government for the use of such Unit after the term of this Lease or any renewal thereof, shall be paid over to, or retained by, the Owner-Trustee.

Except as hereinabove in this \$7 provided, the Lessee shall not be released from its obligations hereunder in the event of, and shall bear the risk of, any Casualty Occurrence to any Unit from and after delivery and acceptance thereof by the Lessee hereunder.

The Lessee shall at all times while this Lease is in effect maintain or cause to be maintained at its own expense, property, and casualty insurance in respect of the Units at the time subject hereto, at least in amounts and against risks customarily insured against by railroad companies on similar equipment owned by them and in amounts and against risks customarily insured against by Lessee on similar equipment owned by it.

The Lessee will, at all times prior to the return of the Units to the Owner-Trustee in accordance with the terms of this Lease, at its own expense, cause to be carried and maintained public liability insurance in amounts and against risks customarily insured against by railroad companies on similar equipment owned by them and in amounts and against risks customarily insured against by the Lessee in respect of similar equipment owned by it.

§8. Reports: Financial Disclosure. On or before April 1 in each year, commencing with the calendar year 1985, the Lessee will furnish to the Owner-Trustee, the Owner and the Vendor an accurate statement (a) setting forth as at the preceding December 31 the amount, description and numbers of all Units then leased hereunder and covered by the Security Document, the amount, description and numbers of all Units that have suffered a Casualty Occurrence during the preceding calendar year or, in the case of the first such statement, since the date hereof (specifying the dates of such Casualty Occurrences) or to the knowledge of the Lessee are then undergoing repairs (other than running repairs) or are then withdrawn from use pending repairs (other than running repairs) and such other information regarding the condition and state of repair of the Units as the Owner-Trustee or the Vendor may reasonably request and (b) stating that, in the case of all Units repainted or repaired during the period covered by such statement, the numbers and the markings required by §5 hereof and the Security Document have been preserved or replaced. The Owner-Trustee shall have the right (but not any obligation) by its agents, to inspect the Units and the Lessee's records with respect thereto at such reasonable times as the Owner-Trustee may request during the continuance of this Lease.

Provided that the Lessee is aware of or should be aware of any reports (other than income tax returns except as provided in §6 hereof) to be filed by the Owner-Trustee

with any Federal, state or other regulatory authority by reason of the ownership by the Owner-Trustee or the Vendor of the Units or the leasing thereof to the Lessee, the Lessee agrees at its expense to prepare and deliver to the Owner-Trustee within a reasonable time prior to the required date of filing (or, to the extent permissible, file on behalf of the Owner-Trustee) any and all such reports.

The Lessee shall also furnish to the Owner-Trustee and the Vendor, promptly upon transmission thereof, copies of all material, regular and periodic reports of the Lessee, if any, furnished to the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, and Lessee's published reports, if any, to its stockholders. If the Lessee shall at any time not be subject to the reporting requirements of said Securities Exchange Act, it shall deliver to the Owner-Trustee and the Vendor as soon as available, and in any event within 60 days after the end of the first, second and third quarterly accounting periods in each fiscal year of the Lessee, copies of the balance sheet of the Lessee, as of the end of such accounting period and copies of the related statements of income, retained income and changes in financial position of the Lessee, for the portion of its fiscal year ended with the last day of such quarterly accounting period, all in reasonable detail and stating in comparative form the figures for the corresponding date and period in the previous fiscal year. Upon request from the Vendor or the Owner-Trustee, the Lessee will furnish such information concerning this transaction and the Lessee as such party may reasonably request from time to time.

\$9. Disclaimer of Warranties; Compliance with Laws and Rules; Maintenance; Indemnification. NONE OF THE OWNER-TRUSTEE, THE OWNER, OR THE VENDOR MAKES, HAS MADE OR SHALL BE DEEMED TO MAKE OR HAVE MADE ANY WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE DESIGN, COMPLIANCE WITH SPECIFICATIONS, OPERATION, OR CONDITION OF, OR AS TO THE QUALITY OF THE MATERIAL, EQUIPMENT OR WORKMANSHIP IN, THE UNITS OR ANY COMPONENT THEREOF DELIVERED TO THE LESSEE HEREUNDER, AND NONE OF THE OWNER-TRUSTEE, THE OWNER, OR THE VENDOR MAKES ANY WARRANTY OF MERCHANTABILITY OR FITNESS OF THE UNITS OR ANY COMPONENT THEREOF FOR ANY PARTICULAR PURPOSE NOR AS TO TITLE TO THE UNITS OR ANY COMPONENT THEREOF NOR ANY OTHER REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO ANY UNIT OR ANY COMPONENT THEREOF

(EITHER UPON DELIVERY THEREOF TO THE LESSEE OR OTHERWISE), IT BEING AGREED THAT ALL SUCH RISKS, AS BETWEEN THE OWNER-TRUSTEE AND THE LESSEE, AND BETWEEN THE VENDOR AND THE LESSEE, ARE TO BE BORNE BY THE LESSEE; but the Owner-Trustee hereby irrevocably appoints and constitutes the Lessee its agent and attorney-in-fact during the term of this Lease, so long as no Event of Default hereunder shall have occurred and be continuing, to assert and enforce from time to time, in the name of and for the account of the Owner-Trustee and/or the Lessee, as their interests may appear, at the Lessee's sole cost and expense, whatever claims and rights the Owner-Trustee may have against any Builder. The Owner-Trustee and the Owner shall have no responsibility or liability to the Lessee or any other person with respect to any of the following: (i) any liability, loss or damage caused or alleged to be caused directly or indirectly by any Units or by any inadequacy thereof or deficiency or defect therein or by any other circumstance in connection therewith, including strict liability in tort; (ii) the use, operation or performance of any Units or any risks relating thereto; (iii) any interruption of service, loss of business or anticipated profits or consequential damages; or (iv) the delivery, operation, servicing, maintenance, repair, improvement or replacement of any Units. The Lessee's delivery of a Certificate of Acceptance shall be conclusive evidence as between the Lessee and the Owner-Trustee that the Units are in all the foregoing respects satisfactory to the Lessee, and the Lessee will not assert any claim of any nature whatsoever against the Owner-Trustee, the Owner or the Vendor based on any of the foregoing matters.

The Lessee agrees, for the benefit of the Owner-Trustee, the Vendor, and the Owner, to comply in all respects (including, without limitation, with respect to the use, maintenance and operation of each Unit) with all laws of the jurisdictions in which its operations involving the Units may extend, with the interchange rules of the Association of American Railroads and with all lawful rules of the United States Department of Transportation, the Interstate Commerce Commission and any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Units, to the extent that such laws and rules affect the title, operation or use of the Units and in the event that such laws or rules require any alteration, replacement, modification or addition of or to any part on any Unit, the Lessee will fully conform therewith at

its own expense; provided, however, that the Lessee may, upon written notice to the Owner-Trustee and the Vendor, in good faith, contest the validity or application of any such law or rule in any reasonable manner which does not, in the opinion of the Owner-Trustee or the Vendor, adversely affect the property or rights of the Owner-Trustee or the Vendor, respectively, under this Lease or under the Security Document.

The Lessee agrees that, at its own cost and expense, it will maintain and keep each Unit (including any parts installed on or replacements made to any Unit and considered an accession thereto as hereinbelow provided) which is subject to this Lease in good operating order, repair and condition, ordinary wear and tear excepted.

The Lessee and its affiliates, at their own cost and expense, may from time to time make such other alterations, modifications and additions at any time attached or affixed to any Unit, the cost of which is not included in the Purchase Price of such Unit and which are not required for the operation or use of such Unit by the Interstate Commerce Commission, the United States Department of Transportation or any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over such Unit (hereinafter collectively called "Additions") to the Units as the Lessee may deem desirable in the proper conduct of its business so long as such Additions shall not be inconsistent with the continuing operation of the Units and shall not diminish the value, utility or condition of the Units below the value, utility and condition thereof immediately prior to the making of such Additions, assuming the Units were then in the condition required to be maintained by the terms of this Lease; provided, however, that no such Addition shall be made if it is not readily removable from the Unit to which it relates without material damage thereto and without diminishing or impairing the value or utility which the Unit would have had immediately prior to such time had such Addition not been made.

Title to all Parts (as hereinbelow defined) incorporated in or installed as part of a Unit shall without further act vest in the Owner-Trustee and be subject to a valid first lien and prior perfected security interest under the Security Document in the following cases: (i) such Part is in replacement of or in substitution for, and not in

addition to, any Part originally incorporated in or installed as part of such Unit at the time of the acceptance thereof hereunder or any Part in replacement of, or in substitution for any such original Part, (ii) such Part is required to be incorporated in or installed as part of such Unit pursuant to the terms of the second or third paragraph of this §9, or (iii) notwithstanding the provisions of the fourth paragraph of this §9, such Part cannot be readily removed from such Unit to which it relates without material damage thereto and without diminishing or impairing the value or utility which such Unit shall have had at such time had such alteration or addition not occurred. In all other cases, if no Event of Default, or event which with notice or lapse of time or both would constitute an Event of Default shall have occurred and be continuing, title to Parts incorporated in or installed as parts of the Units as a result of such alterations or additions shall vest in the Lessee. The term Part for the purposes of this paragraph and §14 hereof shall be defined to include any appliance, part, instrument, accessory, furnishing or other equipment of any nature which may from time to time be incorporated in or installed as part of any Unit.

The Lessee shall pay and shall protect, indemnify and hold the Owner-Trustee (in both its individual and fiduciary capacities), the Owner, the Investors and the Vendor and their respective successors, assigns, agents and servants (hereinafter collectively referred to as the "Indemnified Persons") as third party beneficiaries hereof, harmless from and against any and all causes of action, suits, penalties, claims, demands or judgments, of any nature whatsoever which may be imposed on, incurred by or asserted against any Indemnified Person (including any or all liabilities, obligations, damages, costs, disbursements, expenses (including without limitation attorneys' fees and expenses of any Indemnified Person) relating thereto) in any way relating to or arising or alleged to arise out of this Lease or the Units, including without limitation those in any way relating to or arising or alleged to arise out of (i) the acceptance, rejection, ownership, delivery, nondelivery, lease, possession, use, operation, condition, sale, return or other disposition of any Unit or portion thereof; (ii) any claims based on strict liability in tort or by statute imposed; (iii) any injury to or the death of any person or any damage to or loss of property on or near the Units or in any manner growing out of or concerned with, or

alleged to grow out of or be connected with, the ownership, use, replacement, adaptation or maintenance of the Units or of any other equipment in connection with the Units (whether owned or under the control of the Owner-Trustee, the Lessee or any other person) or resulting or alleged to result from the condition of any thereof; (iv) any violation, or alleged violation, of any provision of this lease (except by the Owner-Trustee) or of any agreement, law, rule, regulation, ordinance or restriction, affecting or applicable to the Units or the leasing, ownership, use, replacement, adaptation or maintenance thereof; or (v) any claim arising out of any of the Owner-Trustee's obligations under the Lease Assignment or the Security Document as a result of any act or omission on the part of the Lessee except to the extent such claim arises from an act or omission of the party claiming indemnification (all of which matters hereinabove set forth in this paragraph being hereinafter called "Indemnified Matters"). All payments hereunder shall be made directly to the Indemnified Person. The Lessee shall be obligated under this §9, irrespective of whether any Indemnified Person shall also be indemnified with respect to the same matter under any other agreement by any other person, and the Indemnified Person seeking to enforce the indemnification may proceed directly against the Lessee under this §9 without first resorting to any such other rights of indemnification. In case any action, suit or proceeding is brought against any Indemnified Person in connection with any Indemnified Matter, the Lessee may and, upon such Indemnified Person's request, will at the Lessee's expense resist and defend such action, suit or proceeding, or cause the same to be resisted or defended by counsel selected by the Lessee and approved by such Indemnified Person, as the case may be, and, in the event of any failure by the Lessee to do so, the Lessee shall pay all costs and expenses (including without limitation attorneys' fees and expenses) incurred by such Indemnified Person in connection with such action, suit or proceeding. In the event the Lessee is required to make any payment under this §9, the Lessee shall pay such Indemnified Person an amount which, after deduction of all taxes required to be paid by such Indemnified Person in respect of the receipt thereof under the laws of the United States or of any political subdivision thereof (after giving credit for any savings in respect of any such taxes by reason of deductions, credits or allowances in respect of the payment of the expense indemnified against, and of any other such taxes as determined in the sole discretion of the

Indemnified Person), shall be equal to the amount of such payment. The Lessee and the Owner-Trustee each agrees to give each other promptly upon obtaining knowledge thereof written notice of any claim or liability hereby indemnified against. Upon the payment in full of any indemnities as contained in this §9 by the Lessee, and provided that no Event of Default (or other event which with lapse of time or notice or both would constitute an Event of Default) shall have occurred and be continuing, it shall be subrogated to any right of such Indemnified Person in respect of the Indemnified Matter against which indemnity has been given. Any payments received by such Indemnified Person from any person (except the Lessee) as a result of any Indemnified Matter with respect to which such Indemnified Person has been indemnified by the Lessee pursuant to this §9 shall be paid over to the Lessee to the extent necessary to reimburse the Lessee for indemnification payments previously made in respect of such matter.

The indemnities contained in this §9 shall survive the expiration or termination of this Lease with respect to all events, facts, conditions or other circumstances occurring or existing prior to such expiration or termination and are expressly made for the benefit of, and shall be enforceable by, each of the Indemnified Persons. None of the Indemnities in this §9 shall be deemed to create any rights or subrogation in any insurer or third party against the Lessee or the Owner-Trustee therefor, from or under any Indemnified Person, whether because of any claim paid or defense provided for the benefit thereof or otherwise.

§10. Default. If, during the continuance of this Lease, one or more of the following events (each such event being hereinafter sometimes called an Event of Default) shall occur:

A. payment of any part of the rental provided in §3 or §13 hereof or payment in respect of any Casualty Occurrence pursuant to §7 hereof shall not be made by or on behalf of the Lessee, and such failure to make payment shall continue for the lesser of two days after the Lessee shall receive notice from the Owner-Trustee in respect of the Lessee's failure to make such payment or five business days after such payment is due; or

B. default shall be made in the observance or performance of any other of the covenants, conditions and agreements on the part of the Lessee contained herein or in the Consent and such default shall continue for 25 days after written notice from the Owner-Trustee or the Vendor to the Lessee specifying the default and demanding that the same be remedied; or

C. a petition for reorganization under Title 11 of the United States Code, as now constituted or as said Title 11 may hereafter amended, shall be filed by or against the Lessee and, unless such petition shall have been dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue), all the obligations of the Lessee hereunder shall not have been and shall not continue to have been duly assumed in writing, pursuant to a court order or decree, by a trustee or trustees appointed (whether or not subject to ratification) in such proceedings in such manner that such obligations shall have the same status as obligations incurred by such trustee or trustees, within 30 days after such appointment, if any, or 60 days after such petition shall have been filed, whichever shall be earlier; or

D. any proceedings shall be commenced by or against the Lessee for any relief which includes, or might result in, any modification of the obligations of the Lessee hereunder or under the Consent under any bankruptcy or insolvency laws, or laws relating to the relief of debtors, readjustments of indebtedness, reorganizations, arrangements, compositions or extension (other than a law which does not permit any readjustments of such obligations), and, unless such proceedings shall have been dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue), all the obligations of the Lessee under this Lease or under the Consent shall not have been and shall not continue to have been duly assumed in writing, pursuant to a court order or decree, by a trustee or trustees or receiver or receivers appointed (whether or not subject to ratification) for the Lessee or for the property of the Lessee in connection with any such proceedings in such manner

that such obligations shall have the same status as expenses of administration and obligations incurred by such a trustee or trustees or receiver or receivers, within 30 days after such appointment, if any, or 60 days after such proceedings shall have been commenced, whichever shall be earlier; or

E. an event of default set forth in Article 15 of the Security Document shall have occurred resulting directly from any default by the lessee in performing any of its obligations hereunder or under the Consent;

then, in any such case, the Owner-Trustee, at its option, may,

(a) proceed by appropriate court action or actions either at law or in equity, to enforce performance by the Lessee of the applicable covenants of this Lease or to recover damages for the breach thereof; or

(b) by notice in writing to the Lessee terminate this Lease with respect to any or all of the Units, whereupon all rights of the Lessee to the use of the Units shall absolutely cease and terminate as though this Lease had never been made, but the Lessee shall remain liable as hereinafter provided; and thereupon the Owner-Trustee may by its agents enter upon the premises of the Lessee or other premises where any of such Units may be located, without judicial process, if such entry can be done without a breach of the peace, and take possession of all or any of such Units and thenceforth hold, possess, sell, operate, lease to others and enjoy the same free from any right of the Lessee, or its successors or assigns, to use the Units for any purposes whatever and without a duty to account to the Lessee for such action or inaction or for any proceeds arising therefrom; but the Owner-Trustee shall, nevertheless, have a right to recover from the Lessee any and all amounts which under the terms of this Lease may be then due or which may have accrued to the date of such termination (computing the rental for any number of days less than a full rental period by multiplying the rental for such full rental period by a fraction of which the numerator is such number of days and the denominator is the total number of days in such full rental period) in respect of such Units and also

to recover forthwith from the Lessee as damages for loss of the bargain and not as a penalty, whichever of the following amounts the Owner-Trustee, in its sole discretion, shall specify, (1) a sum, with respect to each such Unit, which represents the excess of (x) the present value, at the time of such termination, of the entire unpaid balance of all rental for such Unit which would otherwise have accrued hereunder from the date of such termination to the end of the term of this Lease as to such Unit over (y) the then present value of the rentals which the Owner-Trustee reasonably estimates to be obtainable for the Unit during such period, such present value to be computed in each case on the basis of a 8% per annum discount, compounded semiannually from the respective dates upon which rentals would have been payable hereunder had this Lease not been terminated, together with any damages and expenses, including reasonable attorney's fees, in addition thereto which the Owner-Trustee shall have sustained by reason of the breach of any covenant, representation or warranty of this Lease other than for the payment of rental or (2) an amount equal to the excess, if any, of the Casualty Value of each such Unit as of the rental payment date on or next preceding the date of termination over the amount the Owner-Trustee reasonably estimates to be the sales value (after deduction of all estimated expenses of such sale) of such Unit at such time;

provided, however, that in the event the Owner-Trustee shall have sold any such Unit, the Owner-Trustee, in lieu of collecting any amounts payable to the Owner-Trustee by the Lessee pursuant to the preceding clauses (1) and (2) of this part (b) with respect to such Unit, may, if it shall so elect, demand that the Lessee pay to the Owner-Trustee, and the Lessee shall pay to the Owner-Trustee on the date of such sale, as liquidated damages for loss of a bargain and not as a penalty, an amount equal to the excess, if any, of the Casualty Value for such Unit, as of the rental payment date on or next preceding the date of termination, over the net proceeds of such sale.

In addition, the Lessee shall be liable, except as otherwise provided above, for any and all unpaid amounts due hereunder before, during or after the exercise of any of the foregoing remedies and for all reasonable attorneys'

fees and other costs and expenses incurred by reason of the occurrence of any Event of Default or the exercise of the Owner-Trustee's remedies with respect thereto, including all costs and expenses incurred in connection with the return of any Unit.

The remedies in this Lease provided in favor of the Owner-Trustee shall not be deemed exclusive, but shall be cumulative, and shall be in addition to all other remedies in its favor existing at law or in equity. The Lessee hereby waives any requirements of law, now or hereafter in effect, which might limit or modify the remedies herein provided, to the extent that such waiver is permitted by law. The Lessee hereby waives any and all existing or future claims to any offset against the rental payments due hereunder, and agrees to make rental payments regardless of any offset or claim which may be asserted by the lessee or on its behalf.

The failure of the Owner-Trustee to exercise the rights granted it hereunder upon the occurrence of any of the contingencies set forth herein shall not constitute a waiver of any such right upon the continuation or recurrence of any such contingencies or similar contingencies and a waiver of any such right on one occasion shall not constitute a waiver of such right as to any other occasion and shall not be effective unless in writing signed by the Owner-Trustee.

The Lessee also agrees to furnish the Owner-Trustee, the Vendor and the Owner, promptly upon any responsible officer's acquiring actual knowledge of any condition which constitutes an Event of Default under this Lease or which, after notice or lapse of time or both, would constitute such an Event of Default, written notice specifying such condition and the nature and status thereof. For the purposes of this §10, a "responsible officer" shall mean, with respect to the subject matter of any covenant, agreement or obligation of the Lessee in this Lease contained, any corporate officer of the Lessee who in the normal performance of his operational responsibilities would have knowledge of such matter and the requirements of this Lease with respect thereto.

§11. Return of Units upon Default. If this Lease shall terminate in respect of any of the Units pursuant to

\$10 hereof, the Lessee shall forthwith deliver possession of such Units to the Owner-Trustee and shall give prompt telegraphic and written notice to the Association of American Railroads and all railroads having possession of any Unit so to return such Units. Each such Unit returned to the Owner-Trustee pursuant to this \$11 shall (i) be in the same operating order, repair and condition as when originally delivered to the Lessee, reasonable wear and tear and modifications, if any, permitted by this Lease excepted, and (ii) meet the standards then in effect under the Interchange Rules of the Association of American Railroads, if applicable, or such comparable standards as may then be in effect. For the purpose of delivering possession of any such Unit or Units to the Owner-Trustee as above required, the Lessee shall at its own cost, expense and risk:

(a) forthwith and in the usual manner cause such Units to be transported to such storage tracks of the Lessee as shall reasonably be designated by the Owner-Trustee and there assembled,

(b) furnish and arrange for the Owner-Trustee to store such Units on such tracks until such Units have been sold, leased or otherwise disposed of by the Owner-Trustee, and

(c) cause the Units to be moved to such interchange point or points of the Lessee with any connecting carrier as shall be designated by the Owner-Trustee upon any sale, lease or other disposal of all or any of such Units.

The assembling, delivery, storage and transporting of the Units as hereinbefore provided shall be at the expense and risk of the Lessee (and the Lessee will during this period maintain the insurance required by \$7 of this Lease to be maintained) and are of the essence of this Lease, and upon application to any court of equity having jurisdiction in the premises the Owner-Trustee shall be entitled to a decree against the Lessee requiring specific performance of the covenants of the Lessee so to assemble, deliver, store and transport the Units. During any storage period, the Lessee will permit the Owner-Trustee or any person designated by it, including the authorized representative or representatives of any prospective purchaser of any such Unit, to inspect the same. In the event that any of the Units are

sold, the Lessee shall pay to the Owner-Trustee the per diem interchange for each such Unit which shall not have been assembled, delivered and stored, as hereinbefore provided, by the date of such sale for each day from the date of such sale to the date of delivery to the purchaser thereof.

Without in any way limiting the obligation of the Lessee under the foregoing provisions of this §11, the Lessee hereby irrevocably appoints the Owner-Trustee as the agent and attorney of the Lessee, with full power and authority, at any time while the Lessee is obligated to deliver possession of any Unit to the Owner-Trustee, to demand and take possession of such Unit in the name and on behalf of the Lessee from whomsoever shall be in possession of such Unit at the time.

§12. Assignment; Possession and Use. This Lease shall be assignable in whole or in part by the Owner-Trustee without the consent of the Lessee, but the Lessee shall be under no obligation to any assignee of the Owner-Trustee other than the Vendor except upon written notice of such assignment from the Owner-Trustee. All the rights of the Owner-Trustee hereunder (including, but not limited to, the rights under §§6, 7 and 10 and the rights to receive the rentals payable under this Lease) shall inure to the benefit of the Owner and the Owner's and the Owner-Trustee's assigns.

So long as no Event of Default or event of default exists hereunder and the Lessee shall have fully complied with the provisions of this §12, the Lessee shall be entitled to the possession and use of the Units and also to sublease the Units to a sublessee or user incorporated in the United States of America (or any State thereof or in the District of Columbia), upon lines of railroad owned or operated by a railroad company or companies incorporated in the United States of America (or any State thereof or the District of Columbia) or Canada (or any province thereof), or over which such railroad company or companies have trackage rights or rights for operation of their trains, and upon connecting and other carriers in the usual interchange of traffic in the continental United States, Canada and Mexico, but only upon and subject to all the terms and conditions of this Lease; provided, however, that if the Lessee subleases or permits the use of any Unit in Canada (or any Province or Territory thereof) or in Mexico (or any State or the Federal

District thereof), the Lessee shall, except as otherwise provided in §15 hereof, first have (a) taken all necessary action to protect the right, title and interest of the Owner-Trustee and the Vendor in the Units to be so subleased or used and (b) furnished the Owner-Trustee and the Vendor with an opinion of Canadian or Mexican counsel, as the case may be, satisfactory to the Owner-Trustee and the Vendor, to the effect that such action is all that is necessary to protect the right, title and interest of the Owner-Trustee and the Vendor in such Units; provided, further, that no Units shall be used predominantly outside the United States of America within the meaning of section 48(a) of the Internal Revenue Code of 1954, as amended to the date hereof, nor shall the Lessee sublease the Units to, or permit their use by, any person in whose hands such Units would not qualify as "section 38" property within the meaning of such Code or in whose hands the property would be treated as "tax-exempt use property" within the meaning of Section 168(j)(3) of the Code; provided, further, that no Unit shall be used in a manner which would cause any item of income or deduction relating to the Unit to be treated as derived from, or allocable to, sources outside the United States.

Any such sublease may provide that the sublessee, so long as it shall not be in default under such sublease, shall be entitled to the possession of the Units included in such sublease and the use thereof; provided, however, that every such sublease shall be subject to the rights and remedies of the Vendor under the Security Document and the Owner-Trustee under this Lease.

The Lessee, at its own expense, will as soon as possible cause to be duly discharged any lien, charge, security interest or other encumbrance (except any sublease or car contract as aforesaid and other than an encumbrance resulting from claims against the Owner-Trustee or the Vendor not related to the ownership or leasing of, or the security interest of the Vendor in, the Units) which may at any time be imposed on or with respect to any Units including any accession thereto or the interest of the Owner-Trustee, the Owner, the Vendor or the Lessee therein. The Lessee shall not, without the prior written consent of the Owner-Trustee, part with the possession or control of, or suffer or allow to pass out of its possession or control, any of the Units, except to the extent permitted by the provisions of this §12.

Nothing in this §12 shall be deemed to restrict the right of the Lessee to assign or transfer its leasehold interest under this Lease in the Units or possession of the Units to any corporation incorporated under the laws of any state of the United States of America or the District of Columbia (which was solvent immediately prior to such assignment and transfer and which shall have specifically assumed the obligations of the Lessee hereunder and under the Consent by an appropriate instrument in writing) into or with which the Lessee shall have become merged or consolidated or which shall have acquired the property of the Lessee as an entirety or substantially as an entirety, provided that such assignee or transferee will not, upon the effectiveness of such merger, consolidation or acquisition be in default under any provision of this Lease.

§13. Renewal Options and Purchase Option. Provided that this Lease has not been earlier terminated and the Lessee is not in default hereunder, the Lessee may, by written notice delivered to the Owner-Trustee not less than six months prior to the end of the original term of this Lease elect to extend the term of this Lease in respect of all, but not fewer than all, the Units then covered by this Lease, for a three-year period commencing on the scheduled expiration of the original term of this Lease, at a rental payable in arrears in six semiannual payments, payable on the semiannual anniversaries of the expiration of the original term, each in the amount of \$1,733.75 per Unit.

Provided that this Lease has not been earlier terminated and the Lessee is not in default hereunder, the Lessee may by written notice delivered to the Owner-Trustee not less than six months prior to the end of the first extended term of this Lease, elect to extend the term of this Lease in respect of all but not fewer than all of the Units then covered by this Lease, for an additional period of three years commencing on the scheduled expiration of the first extended term of this Lease at a rental payable in arrears in six semiannual payments on the semiannual anniversaries of the expiration of the first extended term each in the amount of \$1,095 per Unit.

Provided that this Lease has not been earlier terminated and the Lessee is not in default hereunder, the Lessee may by written notice delivered to the Owner-Trustee not less than six months prior to the end of the original

term or any extended term of this Lease, elect to purchase either 500 or all of the Units covered by this Lease at the end of such term of this Lease for a purchase price equal to the "Fair Market Value" of such units as of the end of such term.

Fair Market Value shall be determined on the basis of, and shall be equal in amount to, the value which would be determined in an arm's-length transaction between an informed and willing buyer-user (other than (i) a buyer-user currently in possession and (ii) a used equipment dealer) and an informed and willing seller under no compulsion to sell and, in such determination, costs of removal from the location of current use shall not be a deduction from such value. If on or before four months prior to the expiration of the term or an extended term of this Lease, the Owner-Trustee and the Lessee are unable to agree upon a determination of the Fair Market Value of such Units, such value shall be determined in accordance with the foregoing definition by the following procedure: If either party to such determination shall have given written notice to the other requesting determination of such value by this appraisal procedure, the parties shall consult for the purpose of appointing a qualified independent appraiser by mutual agreement. If no such appraiser is so appointed within 20 business days after such notice is given, either party may apply, to make such appointment, to the American Arbitration Association, and both parties shall be bound by any appointment so made. Any appraiser appointed pursuant to the foregoing procedure shall be instructed to determine the Fair Market Value of the Units subject to the proposed purchase option within 90 days after his appointment. The determination of Fair Market Value of the appraiser appointed pursuant to this paragraph shall be final. The appraisal proceedings shall be conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association as in effect on the date hereof, except as modified hereby. The provision for this appraisal procedure shall be the exclusive means of determining Fair Market Value and shall be in lieu of any judicial or other procedure for the determination thereof, and each party hereto hereby consents and agrees not to assert any judicial or other procedures. The expense and fee of the Appraiser shall be borne by the Lessee.

Upon payment of the purchase price together with any and all other amounts due and payable hereunder and the release of the Vendor's security interest under the Security Document, the Owner-Trustee shall upon request of the Lessee execute and deliver to the Lessee, or to the Lessee's assignee or nominee, a bill of sale (without representations or warranties except that such Units are free and clear of all claims, liens, security interests and other encumbrances by or in favor of any person claiming by, through or under the Owner-Trustee) for such Units, and such other documents as may be required to release such Units from the term and scope of this Lease and to transfer title thereto to the Lessee or such assignee or nominee, in such form as may reasonably be requested by the Lessee, all at the Lessee's expense.

\$14. Return of Units upon Expiration of Term. As soon as practicable on or after the termination of the original or any extended term of this Lease, and in any event not later than 90 days thereafter, the Lessee will (unless the Unit is sold to the Lessee), at its own cost and expense, at the request of the Owner-Trustee, deliver possession of each Unit to the Owner-Trustee upon such storage tracks of the Lessee as shall be reasonably designated by the Owner-Trustee immediately prior to such termination and arrange for the Owner-Trustee to store such Unit on such tracks for a period commencing on the date of its arrival at any such point and extending thereafter to a date not later than three (3) months from the date each such Unit was first placed in storage pursuant to this \$14 and to transport the same, at any time within such three month period, to any reasonable place on the lines of railroad operated by the Lessee, or to any connecting carrier, for shipment, all as directed by the Owner-Trustee; the assembly, delivery, storage and transporting of the Units to be at the expense and risk of the Lessee; and the Lessee will during this period maintain the insurance required by \$7 of this Lease to be maintained. During any such storage period the Lessee will permit the Owner-Trustee or any person designated by it, including the authorized representative or representatives of any prospective purchaser or lessee of such Unit, to inspect the same; provided, however, that the Lessee shall not be liable except in the case of negligence or intentional act of the Lessee or of its employees or agents and, except to the extent otherwise provided by law, for any injury to or the death of any person exercising, either on behalf of

the Owner-Trustee or any prospective purchaser or lessee, the rights of inspection granted under this sentence. The assembly, delivery, storage and transporting of the Units as hereinbefore provided are of the essence of this Lease, and upon application to any court of equity having jurisdiction in the premises, the Owner-Trustee shall be entitled to a decree against the Lessee requiring specific performance of the covenants of the Lessee so to cause the assembly, delivery, storage and transporting of the Units. Each Unit returned to the Owner-Trustee pursuant to this §14 shall (i) be in the same operating order, repair and condition as when originally delivered to the Lessee, reasonable wear and tear excepted, (ii) have attached or affixed thereto any Part or Addition title to which is in the Owner-Trustee pursuant to §9 hereof and have removed therefrom at Lessee's expense any Part or Addition title to which is in the Lessee pursuant to §9 hereof and (iii) meet the standards then in effect under the regulations of the United States Department of Transportation and under the Interchange Rules of the Association of American Railroads, if applicable or such comparable standards as may then be in effect.

If any of the Units suffers a Casualty Occurrence during any storage period provided for in this §14, the Lessee shall pay to the Owner-Trustee the Casualty Value of such Unit as determined in accordance with §7 hereof. All gross amounts earned in respect of any Unit shall, from and after the termination of this lease as to such Unit, belong to and be the property of the Owner-Trustee. In the event that by the 180th day after the termination of the original or any extended term of this Lease the Lessee has not, at the request of the Owner-Trustee, caused at least 90% of the Units to be transported to such point or points as shall have been designated by the Owner-Trustee pursuant to this §14, the Lessee shall pay to the Owner-Trustee the per diem interchange rate multiplied by the number of such Units equal to the difference between 90% of such Units and the number of such Units previously delivered pursuant to this §14 (such number to be determined on each day) for each day from the end of the third month to the date on which at least 90% of such Units have been so transported. If, after the termination of the storage period provided in this §14, any of such Units have not been so transported, the Lessee shall pay to the Owner-Trustee the per diem interchange rate for each such Unit not so transported for each day after the end of such storage period until such Unit or Units have been so transported.

Upon the expiration of the original term of this Lease, if the Lessee shall decide not to exercise the renewal option provided by the first paragraph of §13 hereof, the Lessee will deliver to the Owner-Trustee a certificate of an officer of the Lessee to the effect that (a) no Event of Default or any event which with lapse of time or notice or both would constitute an Event of Default had occurred or was continuing as of the date on which this Lease terminates; (b) no liens, charges, security interests or other encumbrances (except an encumbrance resulting from claims against the Owner-Trustee or the Owner) were, as of the date on which this Lease terminates, imposed on or with respect to any Unit, any accession thereto, or the interest of the Owner-Trustee or the Owner therein; (c) the Units have been returned to the Owner-Trustee pursuant to this §14 in the same operating order, repair and condition required by the first paragraph of this §14 and (d) the Lessee no longer has any interest in the Units under the Lease or otherwise. If a certificate of an officer of the Lessee is required to be furnished pursuant to the preceding sentence, the certificate described in clause (a) in the preceding sentence shall be furnished on the date on which this Lease terminates, and the certificates described in clauses (b), (c) and (d) in the preceding sentence shall be furnished on a monthly basis, beginning on the monthly anniversary of the date on which this Lease terminates; and such certificates shall cover each such Unit returned during the preceding 30 calendar days and shall apply to each such Unit as of the date such Unit was returned pursuant to the provisions of the first paragraph of this §14. Upon the expiration of any extended term of this Lease, if the Lessee shall decide not to exercise any further renewal option, or if the Lessee shall have no such further renewal option, the Lessee shall deliver to the Owner-Trustee a certificate of an officer of the Lessee to the foregoing effect, with such conforming changes as shall be appropriate under the circumstances.

§15. Recording. Bailgon, at its own expense, will cause this Lease, the Lease Assignment (together with the Consent), and any amendments of the Security Document or the assignment of the Security Document required in connection with the execution and delivery of this Lease and the Lease Assignment (together with the Consent) and any assignment hereof or thereof to be filed and recorded with the Interstate Commerce Commission in accordance with 49 U.S.C. §11308. The Lessee will from time to time do and perform

any other act and will execute, acknowledge, deliver, file, register, record (and will refile, re-register, deposit and red deposit or re-record whenever required) any and all further instruments required by law or reasonably requested by the Owner-Trustee or the Vendor for the purpose of proper protection, to their satisfaction, of the Vendor's and the Owner-Trustee's respective interests in the Units, or for the purpose of carrying out the intention of this Lease, the Security Document or the Lease Assignment, provided, however, that the Lessee shall not be required to take any such action in respect of any jurisdiction outside the United States if (1) the Lessee deems such action to be unduly burdensome, (2) after giving effect to the failure to take such action, the Lessee has taken all action required by law to protect the title of the Owner-Trustee to and the security interest of the Vendor in the Units having a Purchase Price (as defined in Article 4 of the Security Document) of not less than 85% of the aggregate Purchase Price of all the Units then subject to this Lease, and (3) any Unit at any time located in such jurisdiction shall have been marked with the markings specified in §5 hereof.

With respect to the filing and recording referred to in the first sentence of this §15, Railgon, and with respect to all subsequent filings, registering, depositing or recording, the Lessee, will promptly furnish to the Owner-Trustee and the Vendor evidence of all such filing, registering, depositing or recording, and an opinion or opinions of counsel for Railgon or the Lessee, as the case may be, with respect thereto satisfactory to the Vendor and the Owner-Trustee. This Lease, the Security Document, the Lease Assignment (together with the Consent), and any other document required to be filed shall be filed and recorded with the Interstate Commerce Commission within five (5) days of the latest acknowledgement hereto, or as soon as thereafter as is reasonably practicable.

§16. Merger and Consolidation. The Lessee agrees not to merge or consolidate with any other corporation unless the survivor of such merger or consolidation shall be a solvent corporation organized under the laws of the United States of America or a State thereof or the District of Columbia and such survivor (if not the Lessee) shall assume all the obligations and liabilities of the Lessee hereunder, under the Security Document and the Participation Agreement and under the Consent.

§17. Owner-Trustee's Right to Perform for the Lessee. If the Lessee fails to perform or comply with any of its agreements contained herein, the Owner-Trustee may upon notice to the Lessee itself perform or comply with such agreement, and the amount of the reasonable cost and expenses of the Owner-Trustee incurred in connection with such performance or compliance, together with interest on such amount at a rate equal to the Prime Rate plus 2% shall be payable by the Lessee upon demand. No such performance or compliance by the Owner-Trustee shall be deemed a waiver of the rights and remedies of the Trustee against the Lessee hereunder or be deemed to cure the default of the Lessee hereunder.

§18. Interest on Overdue Rentals. Anything to the contrary herein contained notwithstanding, any nonpayment of rentals and other obligations due hereunder shall result in the obligation on the part of the Lessee promptly to pay an amount equal to interest at a rate equal to the Prime Rate plus 2% on the overdue rentals and other obligations for the period of time during which they are overdue, or such lesser amount as may be legally enforceable.

§19. Notices. Any notice required or permitted to be given by either party hereto to the other shall be deemed to have been given when delivered to such other party or deposited in the United States mails, first-class postage pre-paid, addressed as follows:

if to the Owner-Trustee, at One Constitution Plaza, Hartford, Connecticut 06115, attention of Corporate Trust Department, with a copy to the Owner, at P.O. Box 8300, Stamford, Connecticut 06904, attention of Manager Operations;

if to the Lessee, at 100 North Charles Street, Baltimore, Maryland 21201, attention of Treasurer;

or addressed to any party at such other address as such party shall hereafter furnish to the other parties in writing. Any certificate, document or report required to be furnished by any party hereto to the other parties shall be delivered to the address set forth above for such party. Any notice to the Lessee by the Vendor or the Investors regarding Lessee's failure to perform any obligation hereunder shall also be furnished by the Lessee to the Owner-Trustee.

\$20. Owner-Trustee Acting as Trustee. The representations, undertakings and agreements herein made on the part of the Owner-Trustee are made and intended for the purpose of binding only the Trust Estate as such term is used in the Trust Agreement.

Whenever the term Owner-Trustee is used in this Lease it shall apply and refer to the Owner-Trustee, as trustee under the Trust Agreement, and any successor or assignee of the Owner-Trustee in such capacity.

\$21. No Recourse. No recourse shall be had in respect of any obligation due under this Lease, or referred to herein, against any incorporator, stockholder, director or officer, as such, past, present or future, of the Owner-Trustee, the Vendor or the Lessee, or against any other beneficiary of a trust for which the Owner-Trustee is acting as trustee, whether by virtue of any constitutional provision, statute or rule of law or by enforcement of any assessment or penalty or otherwise, all such liability, whether at common law, in equity, by any constitutional provision, statute or otherwise, of incorporators, stockholders, directors, officers, as such, or beneficiaries being forever released as a condition of and as consideration for the execution of this Lease.

It is expressly agreed by the parties hereto, anything herein to the contrary notwithstanding, that each and all of the representations, warranties and agreements herein made on the part of the Owner-Trustee are each and every one of them made and intended not as personal representations, warranties and agreements by the financial institution acting as Owner-Trustee hereunder, or for the purpose or with the intention of binding said financial institution personally, but are made and intended for the purpose of binding the Trust Estate, and this Lease is executed and delivered by the Owner-Trustee solely in the exercise of the powers expressly conferred upon the Owner-Trustee under the Trust Agreement; and that no personal liability or responsibility is assumed by or shall at any time be asserted or enforceable against said financial institution or the Owner on account of any representation, warranty or agreement hereunder of said financial institution, acting in its capacity as Owner-Trustee, or the Owner, either expressed or implied; all such personal liability, if any, being expressly waived and released by the Lessee and by all persons

claiming by, through or under the Lessee; provided, however, that the Lessee or any person claiming by, through or under the Lessee making claim hereunder, may look to the Trust Estate for satisfaction of the same.

§22. Severability; Effect and Modification of Lease; Third Party Beneficiaries. Any provision of this Lease which is prohibited or unenforceable in any jurisdiction, shall be, as to such jurisdiction, ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

This Lease exclusively and completely states the rights of the Owner-Trustee and the Lessee with respect to the leasing of the Units and supersedes all other agreements, oral or written, with respect thereto, except the Participation Agreement. Subject to the last sentence of the second paragraph of Article 21 of the Security Document, no variation or modification of this Lease and no waiver of any of its provisions or conditions shall be valid unless in writing and signed by duly authorized signatories for the Owner-Trustee and the Lessee.

Nothing in this Lease shall be deemed to create any right in any person not a party hereto (other than the Owner, the Vendor, the Investors and the permitted successors and assigns of a party each of which shall be deemed a third party beneficiary hereof to the extent of their respective interests, if any, in the CSA Indebtedness under the Security Document) and this instrument shall not be construed in any respect to be a contract in whole or in part for the benefit of any third party except as aforesaid.

§23. Execution. This Lease may be executed in several counterparts, such counterparts together constituting but one and the same instrument, but the counterpart delivered to the Vendor shall be deemed to be the original counterpart. Although for convenience this Lease is dated as of the date first set forth above, the actual date or dates of execution hereof by the parties hereto is or are, respectively, the date or dates stated in the acknowledgements hereto annexed.

IN WITNESS WHEREOF, the parties hereto have executed or caused this instrument to be executed as of the date first above written.

By _____

STATE OF)
) ss.:
COUNTY OF)

On this _____ day of _____, 1984, before me personally appeared _____, to me personally known who, being by me duly sworn, says that he is

of THE CONNECTICUT BANK AND TRUST COMPANY, NATIONAL ASSOCIATION, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its By-laws, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Notary Public

[Notarial Seal]
My commission expires:

STATE OF OHIO)
) ss.:
COUNTY OF CUYAHOGA)

On this _____ day of _____, 1984, before me personally appeared P.R. Goodwin, to me personally known who, being by me duly sworn, says that he is Senior Vice President-Finance of THE BALTIMORE AND OHIO RAILROAD COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Notary Public

[Notarial Seal]

Schedule A
to Lease

<u>Type</u>	<u>Quantity</u>	<u>Serial Numbers (Inclusive)</u>
52' 6" 100-ton capacity Fixed-End Gondola car AAR mechanical designation: GB	1,000	350000 - 350999

Schedule B
To Lease

CASUALTY VALUES¹

<u>Rental Payment Number</u>	<u>Percentage</u>
Interim	93.08%
1	93.08%
2	93.16%
3	93.28%
4	93.44%
5	93.64%
6	93.87%
7	94.15%
8	94.47%
9	92.46%
10	90.39%
11	88.26%
12	86.07%
13	83.81%
14	81.47%
15	79.04%
16	76.51%
17	73.89%
18	71.17%
19	68.33%
20	65.39%
21	62.33%
22	58.15%
23	55.84%
24	52.39%
25	48.81%
26	45.09%
27	41.21%
28	37.18%
29	32.99%
30	28.62%
31	24.25%
32	28.88%

1 The Casualty Value of each Unit as of any rental payment date shall be that percentage of \$44,860 (the "Purchase Price") of such Unit as is set forth in the above schedule opposite such rental payment date.

EXHIBIT B

AMENDMENT TO LEASE OF RAILROAD EQUIPMENT (No. __)

AMENDMENT made as of the 15th day of October, 1984 between RAILGON COMPANY, a Delaware corporation (the "Lessee"), and THE CONNECTICUT BANK AND TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association, acting not in its individual capacity but solely as Trustee (hereinafter, together with its successors and assigns, called the "Trustee") acting under a Trust Agreement dated as of [date] with General Electric Credit Corporation (the "Owner").

RECITALS

WHEREAS, the Trustee and the Lessee are parties to a Lease of Railroad Equipment, dated as of [date] (the "Lease"), pursuant to which the Trustee leased to the Lessee certain items of railroad equipment described in Schedule A thereto (the "Equipment");

WHEREAS, by an Assignment of Lease and Agreement dated as of [date], the Trustee assigned its rights in, to and under the Lease to Mercantile-Safe Deposit and Trust Company, not in its individual capacity but solely as agent (the "Agent") for certain institutional investors under a

Participation Agreement dated as of [date] among the Trustee, the Owner, the Agent, the Investors listed therein and the Lessee;

WHEREAS, the Lease was amended pursuant to the Amendment to Lease of Railroad Equipment (No. ____) dated as of January 1, 1984 in connection with the restructuring of certain indebtedness of the Lessee under the Override and Restructuring Agreement (the "Override Agreement") dated as of January 1, 1984 by and among the Lessee, the Trustee, the Owner, the Agent, the Investors listed on Schedule A to the Override Agreement and Trailer Train Company, a Delaware corporation;

WHEREAS, the Trustee has as of this date entered into Leases of Railroad Equipment with each of The Baltimore and Ohio Railroad Company and The Chesapeake and Ohio Railway Company, pursuant to which the Trustee has leased to each entity certain items of the Equipment described in Schedule A hereto; and

WHEREAS, in consideration of the foregoing, the parties to the Lease have agreed to amend the Lease on the terms set forth herein.

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained, the parties hereto agree as follows:

1. The following paragraph is added at the end of Section 2 of the Lease:

"The parties hereto acknowledge that the Trustee is entering into two Leases of Railroad Equipment dated as of October 15, 1984 (collectively, the "Chessie Leases") with each of The Baltimore and Ohio Railroad Company and The Chesapeake and Ohio Railway Company (collectively, the "Chessie Lessees") pursuant to which the Trustee is leasing to the Chessie Lessees the Units (the "Chessie Units") described in Schedule A to that certain Amendment to Lease of Railroad Equipment (No.) dated as of October 15, 1984 between the Trustee and the Lessee. Notwithstanding anything contained in this Lease to the contrary, including, without limitation, Section 12, the parties agree that the Chessie Units are released from the Lease and the Lease (other than the provisions of this paragraph and those provisions of the Lease that survive the termination of the Lease) is terminated as to such Chessie Units. For purposes of this Lease the term "Units" shall mean the Units then remaining subject to this Lease as of the date of determination."

2. The first two paragraphs of Section 13 of the Lease are hereby amended to read in their entirety as follows:

"§ 13. Renewals. The Trustee intends to retain the Units for re-lease at the expiration of the term of this Lease. Provided that (i) this Lease has not been earlier terminated, (ii) the Lessee is not in default hereunder and (iii) the Owner shall have made advances to the Lessee during the Override Period pursuant to the Override Agreement, the term of this Lease in respect of all, but not fewer than all, of the Units then covered by this Lease shall be extended for one additional two-year period commencing on the scheduled expiration of the original term of this Lease, at a semiannual rental equal to % of the aggregate Purchase Price of all such Units provided that the Owner shall have advanced to the Lessee not less than \$6,000,000 pursuant to the Override Agreement or, if the Owner shall have advanced

less than \$6,000,000 to the Lessee pursuant to the Override Agreement, such rental shall equal the product of multiplying such semiannual rental by a fraction the numerator of which is the amount (up to \$6,000,000) so advanced by the Owner and the denominator of which is \$6,000,000; such rental is payable in arrears on June 15 and December 15 in each year of the extended term of this Lease.

Provided that (i) this Lease has not been earlier terminated, (ii) the Lessee is not in default hereunder, and (iii) the Owner shall have advanced to the Lessee in excess of \$6,000,000 during the Override Period pursuant to the Override Agreement, the term of this Lease as extended pursuant to the first paragraph of this § 13 shall be extended in respect of all, but not fewer than all, of the Units then covered by this Lease for an additional two-year period commencing on the scheduled expiration of the first extended two-year term of this Lease at a rental amount equal to the greater of (a) ____% of the aggregate Purchase Price of all such Units and (b) the Fair Market Rental, payable in semiannual payments on the semiannual anniversaries of the expiration of the preceding extended term; provided, however, that if the Owner shall have advanced less than \$12,000,000 to the Lessee pursuant to the Override Agreement, such rental shall equal the product of multiplying the applicable rental set forth above by a fraction, the numerator of which is the total amount so advanced by the Owner and the denominator of which is \$12,000,000.

3. Except as modified or amended hereby, the Lease shall remain in full force and effect in accordance with its terms. This Amendment may be executed in two or more counterparts which when taken together shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their duly authorized

officers as of the date first above written.

RAILGON COMPANY

By _____
Title

[Corporate Seal]
Attest:

Assistant Secretary

THE CONNECTICUT BANK AND TRUST
COMPANY, NATIONAL ASSOCIATION,
not in its individual capacity,
but solely as Trustee

By _____
Authorized Officer

[Seal]
Attest:

Authorized Officer

STATE OF)
) ss.:
COUNTY OF)

On this day of October, 1984, before me personally appeared , to me personally known, who, being by me duly sworn, says that he is the of , one of the corporations described in and which executed the foregoing instrument, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Notary Public

[Notarial Seal]

My Commission Expires:

SCHEDULE A

[Description of Equipment Leased to The Baltimore
and Ohio Railroad Company]

[Description of Equipment Leased to The Chesapeake
and Ohio Railway Company]

EXHIBIT C

CONSENT TO LEASE AGREEMENTS

Each of the undersigned hereby acknowledges receipt of a copy of (1) the Amendment to Lease of Railroad Equipment (No. 2) and (2) the Amendment to Lease of Railroad Equipment (No. 3) (collectively, the "Amendments to Leases") to be executed and delivered as of even date herewith by the Connecticut Bank and Trust Company, National Association, a national banking association, not in its individual capacity but solely as trustee, and Railgon Company, a Delaware corporation. Each of the undersigned hereby consents to the entry into the Amendments to Leases and the terms thereof.

Dated as of October 15, 1984

MERCANTILE-SAFE DEPOSIT AND
TRUST COMPANY, as Agent

[SEAL]

Attest:

By _____

By _____
Title

METROPOLITAN LIFE INSURANCE
COMPANY

By _____
Title

By _____
Title

MORGAN GUARANTY TRUST COMPANY
OF NEW YORK, as agent for an
Institutional Investor,
Schmidt & Co., Account No. 288

By _____
Title

JOHN HANCOCK MUTUAL LIFE
INSURANCE COMPANY

By _____
Title

PHOENIX MUTUAL LIFE INSURANCE
COMPANY

By _____
Title

TEACHERS INSURANCE AND ANNUITY
ASSOCIATION OF AMERICA

By _____
Title

AETNA LIFE INSURANCE COMPANY

By _____
Title

AETNA INSURANCE COMPANY
BY CIGNA CAPITAL ADVISERS, INC.

By _____
Title

TRANSAMERICA LIFE INSURANCE AND
ANNUITY COMPANY

By _____
Title

EXECUTIVE LIFE INSURANCE COMPANY

By _____
Title

THE UNION LABOR LIFE INSURANCE
COMPANY

By _____
Title

EXHIBIT D

AMENDMENT TO CONDITIONAL SALE AGREEMENT (NO. __)

AMENDMENT made as of the 15th day of October, 1984 between THE CONNECTICUT BANK AND TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association acting not in its individual capacity but solely as Trustee (hereinafter, together with its successors and assigns, the "Trustee") acting under a Trust Agreement dated as of [date] with General Electric Credit Corporation (the "Owner"), and MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, a Maryland corporation, acting not in its individual capacity but solely as agent (hereinafter, together with its successors and assigns, the "Agent") for certain institutional investors (the "Investors") under a Participation Agreement dated as of [date].

RECITALS

WHEREAS, the Trustee is a party to a Conditional Sale Agreement dated as of [date] (the "CSA") along with certain manufacturers of railroad equipment listed on the signature pages to the CSA (the "Builders"), pursuant to which the Trustee purchased certain units of railroad equipment described in Annex B to the CSA manufactured by the Builders (the "Equipment");

WHEREAS, the Builders assigned to the Agent certain of their right, title and interest in and to the CSA and

to the security interest in and to the Equipment pursuant to an Agreement and Assignment dated as of [date] between the Agent and each of the Builders;

WHEREAS, the Trustee and Railgon Company ("Railgon") entered into a Lease of Railroad Equipment dated as of [date] (the "Lease") pursuant to which the Trustee leased the Equipment to Railgon;

WHEREAS, the Trustee and Railgon have as of this date entered into an Amendment to Lease pursuant to which certain items of Equipment have been released from the Lease;

WHEREAS, the Trustee has as of this date entered into a Lease of Railroad Equipment with each of The Baltimore and Ohio Railroad Company and The Chesapeake and Ohio Railway Company, pursuant to which the Trustee has leased to each entity certain items of the Equipment released from the Lease; and

WHEREAS, in consideration of the foregoing, the parties to the CSA have agreed to amend the CSA on the terms set forth herein.

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained, the parties hereto agree as follows (certain capitalized terms used and

not defined herein having the meanings ascribed thereto in the CSA):

1. The fourth paragraph of Article 4 of the CSA is hereby amended to read in its entirety as follows:

The portion (the "Railgon CSA Indebtedness") of the Purchase Price payable pursuant to subparagraph (c) of the preceding paragraph in respect of the Lease shall be deemed to be _____ and shall be payable on the dates and in the manner set forth in the Override and Restructuring Agreement dated as of January 1, 1984, as amended, by and among the Lessee, the Trustee, the Agent, the Owner, the Investors and Trailer Train Company (as so amended, the "Override Agreement"), each such date being hereinafter called a "Railgon Payment Date". The portion (the "Baltimore CSA Indebtedness") of such Purchase Price payable in respect of the Lease of Railroad Equipment dated as of October 15, 1984 (the "Baltimore Lease") by and between the Trustee and The Baltimore and Ohio Railroad Company (the "Baltimore Lessee") shall be deemed to be _____ and shall be payable on each April 15 and October 15, commencing April 15, 1985, to and including October 15, 1999, each such date being hereinafter called a "Baltimore Payment Date". The portion (the "Chesapeake CSA Indebtedness") of such Purchase Price payable in respect of the Lease of Railroad Equipment dated as of October 15, 1984 (the "Chesapeake Lease") by and between the Trustee and The Chesapeake and Ohio Railway Company (the "Chesapeake Lessee") shall be deemed to be _____ and shall be payable on each April 15 and October 15, commencing April 15, 1985, to and including October 15, 1999, each such date being hereinafter called a "Chesapeake Payment Date." The Baltimore CSA Indebtedness and the Chesapeake CSA Indebtedness shall sometimes be referred to in this Agreement collectively as the "Chessie CSA Indebtedness", the Baltimore Lease and the Chesapeake Lease shall sometimes be referred to in this Agreement collectively as the "Chessie Leases", the Baltimore Lessee and the Chesapeake Lessee shall sometimes be

referred to in this Agreement collectively as the "Chessie Lessees" and the Baltimore Payment Date and the Chesapeake Payment Date shall sometimes be referred to in this Agreement collectively as a "Chessie Payment Date". If an act is done or omitted to be done by, or an event occurs with respect to, one of the Baltimore Lessee or Chesapeake Lessee, but not both, any and all references to the "Chessie CSA Indebtedness", the "Chessie Leases", the "Chessie Lessees" or the "Chessie Payment Date" with respect to such act, omission or event, or the legal consequences resulting from such act, omission or event, shall be deemed to refer only to the Baltimore Lessee or the Chesapeake Lessee, whichever did or omitted to do such act or with respect to which such event occurred, and the related lease, but not both. Subject to the provisions of the Override Agreement, the unpaid balance of the Railgon CSA Indebtedness shall bear interest at the rate of ___% per annum. Such interest shall be payable on each Railgon Payment Date. The installments of principal payable on each Railgon Payment Date shall be calculated so that the amount and allocation of principal and interest payable on each Railgon Payment Date shall be substantially in proportion to the amount and allocation of principal and interest on such Railgon Payment Date set forth in Schedule I hereto and the aggregate of such installments of principal will completely amortize the remaining Railgon CSA Indebtedness. The unpaid balance of the Chessie CSA Indebtedness shall bear interest from the Amendment No. 1 Closing Date (as defined in Amendment No. 1 to the Override and Restructuring Agreement dated as of October 15, 1984 by and among the parties to the Override Agreement) at the rate of 9% per annum. Such interest and the principal amount of the Chessie CSA Indebtedness shall be payable on each Chessie Payment Date in such amounts as shall be determined pursuant to Section 18.03(a) of the Override Agreement, as added by that certain Amendment No. 1 to the Override and Restructuring Agreement dated as of October 15, 1984 by and among the parties to the Override Agreement.

2. The last paragraph of Article 4 of the CSA is amended to read in its entirety as follows:

As used in this Agreement, the word "Equipment" shall mean, jointly, the Equipment leased by the Trustee to the Lessee pursuant to the Lease (the "Railgon Equipment") and the Equipment leased by the Trustee to the Baltimore Lessee pursuant to the Baltimore Lease (the "Baltimore Equipment") and to the Chesapeake Lessee pursuant to the Chesapeake Lease (the "Chesapeake Equipment") (the Baltimore Equipment and the Chesapeake Equipment shall sometimes be referred to in this Agreement collectively as the "Chessie Equipment"). If an act is done or omitted to be done by, or an event occurred with respect to, one of the Baltimore Lessee or the Chesapeake Lessee but not both, any and all references to the "Chessie Equipment" with respect to such act, omission or event, or the legal consequences resulting from such act, omission or event, shall mean the units of Chessie Equipment leased by the Baltimore Lessee or Chesapeake Lessee, whichever did or omitted to do such act or with respect to which such event occurred, but not both. Notwithstanding any other provisions of this Agreement, including, without limitation, Articles 15 and 16 hereof but without limiting the effect of Article 21 hereof, it is understood and agreed by the Vendor that the liability of the Trustee for all payments to be made by it under and pursuant to this Agreement in respect of the Equipment and for all performance obligations (other than the payments called for by subparagraph (b) of the third paragraph of this Article and as provided in the proviso to the last paragraph of Article 12 hereof) in respect of the Equipment, shall not exceed an amount equal to, and shall be payable only out of, the income and proceeds from the Equipment. As used herein the term "income and proceeds from the Equipment" shall mean (i) if an event of default shall have occurred under Article 15 hereof in respect of the Lease or either of the Chessie Leases, as the case may be, and while it shall be continuing, so much of the following amounts as are indefeasibly received by the Trustee (or any assignee of the Trustee) at any time after any such event of default and during the continuance thereof: (a) all amounts of rental payable pursuant to the Lease or such Chessie Lease (as the case may be) and amounts in respect of Casualty Occurrences paid for or with respect to the Equipment pursuant to the Lease or

such Chessie Lease (as the case may be) (except any amounts due pursuant to Paragraph 9 of the Participation Agreement) and (b) any and all other payments or proceeds received pursuant to the Lease or such Chessie Lease (as the case may be) (except sums that by the express terms of the Lease or such Chessie Lease, as the case may be, are payable directly to the Owner or the Trustee pursuant to §§ 6, 9 and 19 of the Lease or §§ 6, 9 and 17 of such Chessie Lease (as the case may be) or for or with respect to the Equipment as the result of the sale, lease or other disposition thereof, after deducting all costs and expenses of such sale, lease or other disposition) and (ii) at any other time only that portion of the amounts referred to in the foregoing clauses (a) and (b) or otherwise payable to the Trustee pursuant to the Lease or such Chessie Lease (as the case may be) as are indefeasibly received by the Trustee or any assignee of the Trustee and as shall equal the portion of the Railgon CSA Indebtedness or Chessie CSA Indebtedness, as the case may be, due and payable on the date such amounts so received were required to be paid pursuant to the Lease or such Chessie Lease (as the case may be) or as shall equal any other payments (including payments in respect of Casualty Occurrences as defined in Article 7 hereof) then due and payable under this Agreement; it being understood that "income and proceeds from the Equipment" shall in no event include amounts referred to in the foregoing clauses (a) and (b) that were received by the Trustee or any assignee of the Trustee prior to the existence of such an event of default which exceeded the amounts required to discharge that portion of the Railgon CSA Indebtedness or the Chessie CSA Indebtedness, as the case may be, and/or interest thereon due and payable by the Trustee on the date on which amounts received by the Trustee or any assignee of the Trustee were required to be paid pursuant to the Lease or such Chessie Lease (as the case may be) or which exceeded any other payments including payments in respect of Casualty Occurrences due and payable under this Agreement at the time such amounts were payable under the Lease or such Chessie Lease (as the case may be). The Vendor agrees that if it obtains a judgment against the Trustee for an amount in excess of the amounts payable by the Trustee pursuant to

the limitations set forth in this paragraph, it will, accordingly, limit its execution of such judgment to such amount and it will not bring suit against the Trustee or the Owner for any sums in addition to the amounts payable by the Trustee pursuant to said limitations (or obtain a judgment, order or decree against the Trustee or the Owner for any relief other than the payment of money) except as may be required by applicable rules of procedure to enforce against the Equipment, the Lessee or the Chessie Lessee, as the case may be, and the Lease or the Chessie Lease, as the case may be (rather than against the Trustee personally or the Owner), by appropriate proceedings against the Trustee at law or in equity or otherwise, the obligation to make the payments to be made pursuant to this Agreement or any other payments or performance obligations due to the Vendor under this Agreement. Nothing contained herein limiting the liability of the Trustee or the Owner shall derogate from the right of the Vendor to proceed against the Railgon Equipment or the Chessie Equipment, as the case may be, or the Lessee or Chessie Lessee, as the case may be, as provided for herein or in the Lease or such Chessie Lease or the Consent or the Lessee's Consent dated as of October 15, 1984 executed and delivered by the Chessie Lessees, as the case may be, for the full unpaid Purchase Price of the Railgon Equipment or the Chessie Equipment, as the case may be, and interest thereon and any and all other payments and obligations under this Agreement.

3. The first paragraph of Article 5 of the CSA is amended to read in its entirety as follows:

ARTICLE 5. Security Interest in the Equipment. The Vendor shall and hereby does retain a security interest in the Railgon Equipment and the Chessie Equipment for the benefit of each of the Investors under each of the CSAs (defined below) until the Trustee shall have made all its payments under this Agreement and two Conditional Sale Agreements dated as of [date] and [date], respectively, between the Trustee and the Agent, as assignee (such agreements, jointly, the "Other CSAs" and, together

with this Agreement, the "CSAs") in respect of (i) the Railgon CSA Indebtedness or the Lease (as such terms are defined herein and in the Other CSAs) or (ii) in respect of the Chessie CSA Indebtedness or the Chessie Leases (as such terms are defined herein and in the Other CSAs), as the case may be, and shall have kept and performed all its agreements contained in the CSAs in respect thereof notwithstanding any provision of this Agreement or the Other CSAs limiting the liability of the Trustee and notwithstanding the delivery of the Railgon Equipment or the Chessie Equipment to and the possession and use thereof by the Trustee and the Lessee or a Chessie Lessee as provided in this Agreement and the Lease or either of the Chessie Leases (as the case may be); it being understood that, subject thereto, title to the Equipment (upon delivery and acceptance thereof) shall pass to and remain in the Trustee. Accordingly, after all payments due to become due under the CSAs in respect of the Railgon Equipment or the Chessie Equipment (as the case may be) shall have been completed and fully made to or for the account of the Vendor, and the Trustee shall have performed all its other obligations hereunder (without regard to the provisions of the last paragraph of Article 4 hereof or Article 21 hereof) and under the Other CSAs in respect thereof, (a) such payments shall be deemed to represent the discharge in full of the Vendor's security interest in the Railgon Equipment or the Chessie Equipment (as the case may be) at such time, (b) any moneys remaining in the hands of the Vendor after providing for all outstanding amounts due and payable hereunder in respect thereof shall be paid to the Trustee, and (c) the Vendor shall execute for record in public offices such instrument or instruments in writing as shall be reasonably requested by the Trustee in order to discharge of record the security interest of the Vendor in, and to make clear upon public records the Trustee's full title to, the units of the Railgon Equipment or the Chessie Equipment (as the case may be) under the laws of any jurisdiction; provided, however, that until that time a security interest in the Equipment hereunder and under the Other CSAs shall be and remain in the Vendor, notwithstanding the possession and use thereof by the Trustee pursuant to the terms of this Agreement. In the event any units of Chessie Equipment have been purchased by a Chessie Lessee

pursuant to § 13 of the applicable Chessie Lease, and the security interest in respect of such units has been transferred in accordance with Article 25 hereof to the proceeds of such sale, then, and in such event, the security interest in such units retained by the Vendor pursuant to this Article 5 shall automatically be released and the Vendor shall comply with clause (c) above.

4. (a) The second paragraph of Article 7 of the CSA is amended to read in its entirety as follows:

In the event that any unit of Railgon Equipment or Chessie Equipment shall suffer a Casualty Occurrence (as defined in § 7 of the Lease or the Chessie Leases, as the case may be) during the term of this Agreement, the Trustee shall, promptly after it shall have received notice from the Lessee or either of the Chessie Lessees, as the case may be, or otherwise been informed that such unit has suffered a Casualty Occurrence cause the Vendor to be fully informed in regard thereto. On the Casualty Payment Date (as defined in § 7 of each of the Lease or the Chessie Leases, as the case may be) next succeeding such notice or information, the Trustee shall, subject to the limitations contained in the last paragraph of Article 4 hereof, pay to the Vendor an amount equal to the Fair Value, as hereinafter defined, of such unit suffering a Casualty Occurrence as of such Casualty Payment Date. On the Casualty Payment Date, the Trustee shall file, or cause to be filed, with the Vendor a certificate setting forth the Fair Value of such unit and the method of determination thereof.

(b) The first sentence of the fifth paragraph of Article 7 of the CSA is amended to read in its entirety as follows:

Any money paid to the Vendor pursuant to this Article shall be applied (after the payment of the

interest and principal due on such date) to prepay without penalty or premium, in accordance with Article 24 hereof, the Railgon CSA Indebtedness or the Chessie CSA Indebtedness, as the case may be, and the Trustee will promptly furnish to the Vendor and the Lessee and the Chessie Lessees a revised schedule of payments of principal and interest thereafter to be made, in such number of counterparts as they may request.

5. The sixth paragraph of Article 7 of the CSA is amended to read in its entirety as follows:

The "Fair Value" of any unit of Railgon Equipment or Chessie Equipment on any date shall be deemed to be an amount computed by multiplying the unpaid principal amount of the Railgon CSA Indebtedness or the Chessie CSA Indebtedness, as the case may be, outstanding on such date (after giving effect to any payment in respect thereof due on such date pursuant to Article 4 hereof) by a fraction of which the numerator shall be the Purchase Price of such unit and the denominator shall be the aggregate Purchase Price of all units (including such unit) of Railgon Equipment or Chessie Equipment (as the case may be) subject to the CSA on such date.

6. The first paragraph of Article 11 of the CSA is amended to read in its entirety as follows:

So long as no event of default has occurred and is continuing hereunder, the Trustee shall be entitled to the possession and use of the Equipment and also to enter into the Lease and the Chessie Leases and to permit the use of the Equipment as provided in the Lease and the Chessie Leases. The Trustee hereby agrees that the Lease and the rights of the Trustee to receive rentals and other payments due and to become due thereunder and under the Chessie Leases (except for payments payable directly to the Trustee or the Owner pursuant to

§§ 6, 9 and 19 of the Lease and §§ 6, 9 and 17 of each of the Chessie Leases), shall be subject and subordinate to this Agreement and the Other CSAs and to the rights of the Vendor hereunder, thereunder and under the Consent and the Lessee's Consent dated as of October 15, 1984 executed and delivered by each of the Chessie Lessees.

7. The parenthetical reference beginning in the third line of the first paragraph of Article 13 of the CSA is hereby amended to read in its entirety as follows:

"(as defined in § 9 of the Lease or the Chessie Leases, as the case may be, but such term with respect to the Chessie Leases shall be deemed also to include any claim, cause of action, suit, penalty, demand or judgment, of any nature whatsoever, arising out of the Vendor's holding a security interest under the CSAs or under the two Assignments of Leases dated as of October 15, 1984 executed by the Trustee with respect to each of the Chessie Leases)".

8. Article 15 of the CSA is amended to read in its entirety as follows:

ARTICLE 15. Defaults. In the event that any one or more of the following events of default shall occur, to wit:

(a) the Trustee shall default in the payment of the principal or interest on the Railgon CSA Indebtedness or the Chessie CSA Indebtedness, as the case may be, or in the payment in respect of a Casualty Occurrence under Article 7 hereof, and such default shall continue for more than ten days after the same shall have become due and payable, without regard to any limitation of liability contained in Article 4 or 21 hereof, or

(b) the Trustee shall, without regard to any limitation contained in Article 4 or 21 hereof, fail or refuse to comply with any other of the terms and covenants of this Agreement or the Lease Assignment or the Assignments of Lease dated as of October 15, 1984 executed and delivered by the Trustee in respect of the Chessie Leases on its part to be kept and performed (except as provided in clause (d) of this Article), or to make provision satisfactory to the Vendor for such compliance, and such non-compliance shall continue for more than 30 days after the Vendor shall have demanded in writing performance thereof, or

(c) the Lessee or either of the Chessie Lessees, as the case may be, shall fail or refuse to comply with any terms, covenants, agreement or provision of the Participation Agreement made expressly for the benefit of the Assignee or the Investors, on its part to be kept or performed, and the Lessee or either of the Chessie Lessees, as the case may be, or the Trustee shall not make provision satisfactory to the Vendor for such compliance, and such noncompliance shall continue for more than 30 days after the Vendor shall have demanded in writing performance thereof, or

(d) the Trustee, except as herein authorized or contemplated, shall make or suffer any unauthorized transfer or sublease (including, for the purpose of this clause, contracts for the use thereof) of any unit of Equipment and shall fail or refuse either to cause such transfer or sublease to be cancelled by agreement of all parties having any interest therein or recover possession of such unit of Equipment, as the case may be, within 30 days after the Vendor shall have demanded in writing such cancellation or recovery of possession, or within said 30 days to deposit with the Vendor a sum in cash equal to the then Fair Value (as defined in Article 7 hereof) of such unit of Equipment (any sum so deposited to be returned to the Trustee upon the cancellation of such transfer or sublease or the recovery of possession by the Trustee of such unit of Equipment), or

(e) any proceeding shall be commenced by or against the Trustee, in its capacity as trustee, or

the Owner for any relief under any bankruptcy or insolvency laws, or laws relating to the relief of debtors, readjustments of indebtedness, reorganizations, arrangements, compositions or extensions (other than a proceeding which does not permit any readjustment of the obligations hereunder or (i) under the Lease, the Lease Assignment, the Consent or the Participation Agreement or the Trust Agreement of the Trustee, in such capacity, or the Owner, as the case may be or (ii) under the Chessie Leases, the Assignments of Lease dated as of October 15, 1984 executed and delivered by the Trustee or the Lessee's Consent dated as of October 15, 1984 executed and delivered by the Chessie Lessees) and, unless such proceeding shall have been dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue), all such obligations shall not be duly assumed in writing, pursuant to a court order or decree, by a trustee or trustees or receiver or receivers appointed (whether or not subject to ratification) for the Trustee, in such capacity, or the Owner, as the case may be, or for its or their property in connection with any such proceeding in such manner that such obligations have the same status as expenses of administration and obligations incurred by such a trustee or trustees or receiver or receivers, within 60 days after such proceeding shall have been commenced, or

(f) any Event of Default (as defined in the Lease or in either of the Chessie Leases) shall have occurred and be continuing under the Lease or such Chessie Lease unless the Trustee shall have cured the corresponding event of default hereunder within 5 days of such event of default; provided, however, that if more than four Events of Default or more than two consecutive Events of Default shall have occurred under clause (A) of § 10 of the Lease or such Chessie Lease, any such Event of Default shall be an event of default hereunder whether or not the corresponding event of default hereunder is cured; or

(g) any event of default shall have occurred and be continuing under either of the Other CSAs;

then at any time after the occurrence of such an event the Vendor may, upon written notice to the Trustee and the Lessee or the Chessie Lessee, as the case may be, and upon compliance with any legal requirements then in force and applicable to such action by the Vendor, declare ("Declaration of Default") the entire unpaid Railgon CSA Indebtedness or Chessie CSA Indebtedness, as the case may be, together with the interest thereon then accrued and unpaid, immediately due and payable, without further demand, and thereafter the aggregate of the unpaid balance of such Railgon CSA Indebtedness or Chessie CSA Indebtedness, as the case may be, and interest shall bear interest from the date of such Declaration of Default at the rate per annum specified in Article 4 hereof as being applicable to amounts remaining unpaid after becoming due and payable, to the extent legally enforceable. In addition, if the Trustee does not pay such entire unpaid Railgon CSA Indebtedness or Chessie CSA Indebtedness, as the case may be, together with the interest thereon accrued and unpaid to the date of payment within 15 days of such notice of Declaration of Default, the Vendor may cause the Lease or Chessie Lease, as the case may be, immediately to terminate (and the Trustee acknowledges the right of the Vendor to terminate such Lease or Chessie Lease) but without affecting the indemnities which by the provision of such Lease or Chessie Lease survive its termination. Upon a Declaration of Default, subject to Articles 4 and 21 hereof, the Vendor shall be entitled to recover judgment for the entire unpaid balance of such Railgon CSA Indebtedness or Chessie CSA Indebtedness, as the case may be, so payable, with interest as aforesaid, and to collect such judgment out of property of the Trustee held in respect of the Railgon CSA Indebtedness or the Chessie CSA Indebtedness, as the case may be, subject to the provisions of Article 4 and 21 hereof, wherever situated. The Trustee shall promptly notify the Vendor and each Investor of any event of which an officer or employee of its corporate trust department has actual knowledge which constitutes, or with the giving of notice and/or lapse of time would constitute, an event of default under this Agreement.

The Vendor may, at its election, waive any such event of default and its consequences and rescind and annul any Declaration of Default or notice of termination of the Lease or Chessie Lease, as the case may be, by notice to the Trustee and the Lessee or Chessie

Lessee, as the case may be, in writing to that effect, and thereupon the respective rights of the parties shall be as they would have been if no such event of default had occurred and no Declaration of Default or notice of termination of the Lease or Chessie Lease had been made or given. Notwithstanding the provisions of this paragraph, it is expressly agreed by the Trustee that time is of the essence of this Agreement and that no such waiver, rescission or annulment shall extend to or affect any other or subsequent default or impair any rights or remedies consequent thereon.

It is expressly acknowledged that (1) an event of default under any subparagraph of this Article 15 arising by reason of a default by the Trustee in respect of the Railgon CSA Indebtedness or a default by the Lessee in respect of the Lease shall not constitute an event of default under this Article 15 in respect of the Chessie CSA Indebtedness or either of the Chessie Leases, and (ii) an event of default under any subparagraph of this Article 15 arising by reason of a default by the Trustee in respect of the Chessie CSA Indebtedness or a default by a Chessie Lessee in respect of a Chessie Lease shall not constitute an event of default under this Article 15 in respect of the Railgon CSA Indebtedness or the Lease.

9. The following sentence is added to the beginning of Article 16 of the CSA:

For purposes of this Article, the word "Equipment" means the Equipment leased by the Trustee under any of the Lease or the Chessie Leases with respect to which a Declaration of Default has occurred and is continuing.

10. The third through sixth paragraphs of Article 16 of the CSA are amended to read in their entirety as follows:

At any time during the continuance of a Declaration of Default with respect to the Lease or a Chessie Lease, the Vendor (after retaking posses-

sion of the Equipment as hereinbefore in this Article 16 provided) may, upon such notice and consent as is hereinafter set forth, retain the Equipment in satisfaction of the entire Railgon CSA Indebtedness or Chessie CSA Indebtedness, as the case may be, under this Agreement and under, and as defined in, the Other CSAs in respect of such Lease or Chessie Lease, as the case may be, and make such disposition thereof as the Vendor shall deem fit. Written notice of the Vendor's election to retain the Equipment shall be given to the Trustee, the Owner and to the Lessee or the Chessie Lessee, as the case may be, by telegram or registered mail, addressed as provided in Article 20 hereof, and to any other persons to whom the law may require notice, within 30 days after such Declaration of Default. In the event that the Vendor shall elect to retain the Equipment and the Trustee does not object thereto in writing as described in the second proviso below, all the Trustee's rights in the Equipment shall thereupon terminate and all payments made by the Trustee or for its account in respect of the Equipment may be retained by the Vendor as compensation for the use of the Equipment; provided, however, that if the Trustee, before the expiration of the 30 day period described in the proviso below, should pay or cause to be paid to the Vendor the total unpaid balance of the Railgon CSA Indebtedness or the Chessie CSA Indebtedness, as the case may be, under this Agreement and under, and as defined in, the Other CSAs in respect of such Lease or Chessie Lease, as the case may be, together with interest thereon accrued and unpaid and all other payments due under this Agreement, then in such event absolute right to the possession of, title to and property in the Equipment shall pass to and vest in the Trustee; provided, further, that if the Trustee, the Owner, or such Lessee or Chessie Lessee, as the case may be, or any other persons notified under the terms of this paragraph object in writing to the Vendor within 30 days from the receipt of notice of the Vendor's election to retain the Equipment, then the Vendor may not so retain the Equipment, but shall sell, lease or otherwise dispose of it or continue to hold it pending sale, lease or other disposition as hereinafter provided or as may

otherwise be permitted by law. If the Vendor shall not have given notice to retain as hereinabove provided or notice of intention to dispose of the Equipment in any other manner, it shall be deemed to have elected to sell the Equipment in accordance with the provisions of this Article 16.

At any time during the continuance of a Declaration of Default, the Vendor, with or without retaking possession of the Equipment, at its election and upon 30 days' notice to the Trustee, and to the Lessee or the Chessie Lessee, as the case may be, and any other persons to whom the law may require notice of the time and place, may sell the Equipment, or one or more of the units thereof, free from any and all claims of the Trustee, or such Lessee or Chessie Lessee, or any other party claiming from, through or under the Trustee or such Lessee or Chessie Lessee, at law or in equity, at public or private sale and with or without advertisement as the Vendor may determine; provided, however, that if, prior to such sale and prior to the making of a contract for such sale, the Trustee should tender full payment of the total unpaid balance of the Railgon CSA Indebtedness or Chessie CSA Indebtedness, as the case may be, under this Agreement and under, and as defined in, the Other CSAs in respect of the Lease or the Chessie Lease, as the case may be, together with interest thereon accrued and unpaid and all other payments due under this Agreement and the Other CSAs as well as expenses of the Vendor in retaking possession of, removing, storing, holding and preparing the Equipment for, and otherwise arranging for, the sale and the Vendor's reasonable attorneys' fees, then upon receipt of such payment, expenses and fees by the Vendor, absolute right to the possession of, title to and property in the Equipment shall pass to and vest in the Trustee. The proceeds of such sale or other disposition, less the attorneys' fees and any other expenses incurred by the Vendor in retaking possession of, removing, storing, holding, preparing for sale and selling or otherwise disposing of the Equipment, shall be credited on the amount due to the Vendor under the provisions of this Agreement.

Any sale hereunder may be held or conducted at New York, New York, at such time or times as

the Vendor may specify (unless the Vendor shall specify a different place or places, in which case the sale shall be held at such place or places as the Vendor may specify), in one lot and as an entirety or in separate lots and without the necessity of gathering at the place of sale the property to be sold, and in general in such manner as the Vendor may determine, so long as such sale shall be conducted in a commercially reasonable manner. The Vendor, the Trustee and the Owner may bid for and become the purchaser of the Equipment, or any unit thereof, so offered for sale. The Trustee and the Lessee or the Chessee Lessee, as the case may be, shall be given written notice of such sale or the making of a contract for such sale not less than 30 days prior thereto, by telegram or registered mail addressed as provided in Article 20 hereof. In the event that the Vendor shall be the purchaser of the Equipment, it shall not be accountable to the Trustee or to such Lessee or Chessie Lessee, as the case may be (except to the extent of surplus money received as hereinafter provided in this Article 16), and in payment of the purchase price therefor the Vendor shall be entitled to have credited on account thereof all or any part of sums due to the Vendor hereunder.

Each and every power and remedy hereby specifically given to the Vendor shall be in addition to every other power and remedy hereby specifically given or now or hereafter existing at law or in equity, and each and every power and remedy may be exercised from time to time and simultaneously and as often and in such order as may be deemed expedient by the Vendor except that the Vendor shall not be deemed to have the power or remedy to retain the Equipment in satisfaction of the Railgon CSA Indebtedness or the Chessie CSA Indebtedness, as the case may be, in respect of the Lease or the Chessie Lease, as the case may be, except as specifically provided in this Article 16. All such powers and remedies shall be cumulative, and the exercise of one shall not be deemed a waiver of the right to exercise any other or others. No delay or omission of the Vendor in the exercise of any such power or remedy and no renewal or extension of any payments due hereunder shall impair any such power or remedy or shall be construed to be a waiver of any default

or an acquiescence therein. Any extension of time for payment hereunder or other indulgence duly granted to the Trustee or to the Lessee or the Chessie Lessee, as the case may be, shall not otherwise alter or affect the Vendor's rights or the Trustee's obligations hereunder. The Vendor's acceptance of any payment after it shall have become due hereunder shall not be deemed to alter or affect the Trustee's obligation or the Vendor's rights hereunder with respect to any subsequent payments or default therein.

11. Article 20 of the CSA is amended by adding the following new clause after clause (e) thereof:

(f) to either Chessie Lessee, at 100 North Charles Street, Baltimore, Maryland 21201, attention of Treasurer,

12. The second paragraph of Article 21 of the CSA is amended to read in its entirety as follows:

The obligations of the Trustee under the second, seventh and eighth paragraphs of Article 16 and under Articles 3, 6, 7 (other than the second and third sentences of the second paragraph thereof), 8, 9, 10, 12 (other than the proviso to the last paragraph thereof), 13 and 18 hereof shall be deemed in all respects satisfied by the Lessee's undertakings contained in the Lease and the Chessie Lessees' undertakings under the Chessie Leases. The Trustee shall not have any responsibility or liability for the Lessee's or the Chessie Lessees' failure to perform such obligations, but if the same shall not be performed they shall constitute the basis for an event of default hereunder pursuant to Article 15 hereof. Until the security interest of the Vendor in this Agreement is discharged as provided in Article 5 hereof, no waiver or amendment of the Lessee's undertakings under the Lease or the Chessie Lessees' undertakings under the Chessie Leases shall be effective unless joined in by the Vendor.

13. The following Articles are added after Article 23 of the CSA:

ARTICLE 24. Investors' Interests in Equipment. For purposes of this Article, (i) the term "Railgon Equipment Interest" shall mean, as to each Investor under each of the CSAs as of the date of determination, a percentage equal to the proportion of (a) the sum of such Investor's Railgon CSA Indebtedness under this Agreement and under, and as defined in, the Other CSAs to (b) the aggregate of all Railgon CSA Indebtedness under this Agreement and under, and as defined in, the Other CSAs and (ii) the term "Chessie Equipment Interest" shall mean, as to each Investor under each of the CSAs as of the date of determination, a percentage equal to the proportion of (a) the sum of such Investor's Chessie CSA Indebtedness under this Agreement and under, and as defined in, the Other CSAs to (b) the aggregate of all Chessie CSA Indebtedness under this Agreement and under, and as defined in, the Other CSAs. Each Investor's interest in the Railgon Equipment in respect of the Lease and in the Railgon Equipment leased under the Leases of Railroad Equipment dated as of [date] and [date], respectively, between the Trustee and the Lessee (together with the Lease, the "Leases") and in all proceeds from the sale, transfer, conveyance, lease, contract for use or other disposition of each thereof as a result of or in connection with an event of default under any of the CSAs in respect of any Railgon CSA Indebtedness or the Leases or any Event of Default under any of the Leases shall be equal to such Investor's Railgon Equipment Interest. Notwithstanding any provision contained in any of the CSAs to the contrary, upon the receipt by the Agent of (i) any proceeds of the Railgon Equipment from any of the events described in the preceding sentence or (ii) any payments in respect of Casualty Occurrences under any of the Leases, the Agent shall distribute to each Investor an amount equal to the product of (x) such Investor's Railgon Equipment Interest and (y) all such amounts received by the Agent in respect of such event. Each Investor's interest in the Chessie Equipment in respect of the Chessie

Leases and in all proceeds from the sale, transfer, conveyance, lease, contract for use or other disposition of each thereof as a result of or in connection with an event of default under any of the CSAs in respect of any Chessie CSA Indebtedness or the Chessie Leases or any Event of Default under any of the Chessie Leases shall be equal to such Investor's Chessie Equipment Interest. Notwithstanding any provision contained in any of the CSAs to the contrary, upon the receipt by the Agent of (i) any proceeds of the Chessie Equipment from any of the events described in the preceding sentence or (ii) any payments in respect of Casualty Occurrences under either of the Chessie Leases, the Agent shall distribute to each Investor an amount equal to the product of (x) such Investor's Chessie Equipment Interest and (y) all such amounts received by the Agent in respect of such event.

ARTICLE 25. Vendor's Lien on Proceeds. Notwithstanding anything contained in this Agreement to the contrary, in the event either of the Chessie Lessees elects to purchase the units of Chessie Equipment leased to it in accordance with the provisions of § 13 of the Chessie Lease to which it is a party, unless the Trustee shall have made all its payments under this Agreement and shall have kept and performed all of its agreements herein contained in respect of such Chessie Lease at the time such Chessie Lessee is obligated to pay all or any portion of the purchase price for such units, the Agent may direct such Chessie Lessee to pay over such proceeds to the Agent as security for the performance of the Trustee's remaining obligations under the CSA in respect of such Chessie Lease. If the Chessie Lessee has paid over all or a portion of such purchase price to the Trustee, unless the Trustee shall have made all payments under this Agreement and shall have kept and performed all of its agreements herein contained, the Trustee shall be deemed to hold such proceeds in trust for the benefit of the Agent and shall forthwith turn over such proceeds, or portion thereof, to the Agent as shall be necessary in the sole discretion of the Agent to provide adequate security for such payment or performance on the part of the Trustee. If the Trustee fails to make any such payment or to keep or perform any such obligation

after written demand by the Agent is made therefor, the Agent may, upon 30 days' written notice to the Trustee (and any other persons to whom the law may require notice) retain all or part of such purchase price free and clear of any claims of the Trustee or any other party claiming from, through or under the Trustee. If the Trustee remedies such failure within such 30 day period, the Vendor shall return to the Trustee that portion of the purchase price held by it, but without interest.

14. Except as expressly set forth herein, the provisions of this Agreement shall be effective as of the Amendment No. 1 Closing Date, as such term is defined in Amendment No. 1 to the Override and Restructuring Agreement dated as of October 15, 1984 by and among the Lessee, the Agent, the Owner, the Trustee, the Investors and Trailer Train Company. Except as modified or amended hereby, the CSA shall remain in full force and effect in accordance with its terms. This Agreement may be executed in two or more counterparts

which when taken together shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers as of the date first above written.

THE CONNECTICUT BANK AND TRUST COMPANY,
NATIONAL ASSOCIATION, as Trustee

[Seal]

By _____
Title

Attest:

MERCANTILE-SAFE DEPOSIT AND TRUST
COMPANY, as Agent

[Seal]

By _____
Title

Attest:

STATE OF)
) ss.:
COUNTY OF)

On this day of October, 1984, before me personally appeared , to me personally known, who, being by me duly sworn, says that he is the of , one of the corporations described in and which executed the foregoing instrument, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Notary Public

[Notarial Seal]

My Commission Expires:

EXHIBIT E

ASSIGNMENT OF LEASE dated as of October 15, 1984 ("Assignment"), by and between THE CONNECTICUT BANK AND TRUST COMPANY, NATIONAL ASSOCIATION, not in its individual capacity but solely as Trustees (hereinafter collectively, together with its successors and assigns, called the "Trustee") acting under three separate Trust Agreements dated as of July 1, 1980, October 1, 1980 and February 1, 1981, respectively (collectively, the "Trust Agreement"), with GENERAL ELECTRIC CREDIT CORPORATION ("Owner") and MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, not in its individual capacity but solely as agents (collectively, the "Agent") for certain institutional investors ("Investors") under three separate Participation Agreements dated as of July 1, 1980, October 1, 1980 and February 1, 1981, respectively (collectively, the "Participation Agreement").

WHEREAS the Trustee entered into three separate Conditional Sale Agreements dated as of July 1, 1980, October 1, 1980 and February 1, 1981, respectively, as amended (individually, a "CSA" and collectively, the "CSAs") with the manufacturers specified in Item 1 of Annex A to each CSA ("Builders"), whereby the Trustee purchased certain units of railroad equipment on behalf of the Owner ("Original Units") described in the Annex B thereto, and the CSAs were assigned to the Agent by the Builders;

WHEREAS, all of the Original Units had been leased by the Trustee to Railgon Company ("Railgon") pursuant to three separate Leases of Railroad Equipment dated July 1, 1980, October 1, 1980 and February 1, 1981, respectively (the "Railgon Leases");

WHEREAS, the Trustee has leased certain of such Original Units (the "Units") to The Baltimore and Ohio Railroad Company and The Chesapeake and Ohio Railway Company (collectively, the "Lessees") pursuant to two Leases of Railroad Equipment dated as of October 15, 1984 (hereinafter, together with all amendments and supplements thereto, being collectively called the "Chessie Leases");

WHEREAS, in order to provide further security for the obligations of the Trustee under the CSAs, the Trustee has agreed to assign for security purposes pursuant to this Assignment its rights in, to and under the Chessie Lease to which [The Baltimore and Ohio Railroad Company (the "Baltimore Lessee")] is a party as Lessee (the "[Baltimore] Lease") to the Agent.

NOW, THEREFORE, in consideration of the payments to be made, the parties hereto agree as follows:

1. Subject to the provisions of Paragraph 10 hereof, the Trustee hereby assigns, transfers and sets over unto the Agent, as collateral security for the payment and performance of the Trustee's obligations in respect of the Chessie CSA Indebtedness under each of the CSAs, all the Trustee's right, title and interest, powers, privileges, and other benefits under the [Baltimore] Lease (including those inuring to the benefit of the Owner and the Owner's assigns by reason of § 12 of the [Baltimore] Lease), including, without limitation, the immediate right to receive and collect all rentals, profits and other sums payable to or receivable by the Trustee under or pursuant to the provisions of the [Baltimore] Lease whether as rent, casualty payment, indemnity (except sums that by the express terms of the [Baltimore] Lease are payable directly to the Owner or the Trustee pursuant to §§ 6, 9 and 17 of the [Baltimore] Lease), liquidated damages, payment in respect of purchase option or otherwise (such moneys being hereinafter called "Payments"), and the right to make all waivers and agreements, to give all notices, consents and releases, to take all action upon the happening of an Event of Default specified in the [Baltimore] Lease, and to do any and all other things whatsoever that the Trustee is or may become entitled to do under the [Baltimore] Lease. In furtherance of the foregoing assignment, the Trustee hereby irrevocably authorizes and empowers the Agent in its own name, or in the name of its nominee, or in the name of the Trustee or as its attorney, to ask, demand, sue for, collect and receive any and all Payments to which the Trustee is or may become entitled under the [Baltimore] Lease and to enforce compliance by the [Baltimore] Lessee with all the terms and provisions thereof.

The Agent agrees to accept any Payments made by the [Baltimore] Lessee for the account of the Trustee pursuant to the [Baltimore] Lease and, to the extent received, the Agent will apply such Payments to satisfy the obligations of the Trustee under the CSAs then due and payable in respect of the Chessie CSA Indebtedness, subject to the limitations contained in the last paragraph of Article 4 of the CSAs, and any balance held by the Agent hereunder for the account of the Trustee shall be deemed to be held in trust for the Trustee and shall be paid immediately to and retained by the Trustee. If the Agent shall not receive any rental payment under the first paragraph of § 3 of the [Baltimore] Lease or any payment of Casualty Values under § 7 of the [Baltimore] Lease when due, the Agent shall promptly notify the Trustee by telegraphic communication at the address set forth in the

[Baltimore] Lease. Failure to so notify the Trustee shall not affect the rights and remedies of the Agent hereunder or under the CSAs; except that the Agent may not declare an event of default under subparagraph (a) or (f) of Article 15 of the CSAs arising solely by reason of the failure of the [Baltimore] Lessee to make any such rental payment that, pursuant to subparagraph (f) of Article 15 of the CSAs, would not constitute an event of default thereunder if the Trustee complies with the provisions thereof, unless such event of default is not remedied within 5 days after notification is given as aforesaid.

2. This Assignment is executed only as security for the obligations of the Trustee under the CSAs in respect of the Chessie CSA Indebtedness and, therefore, the execution and delivery of this Assignment shall not subject the Agent to, or transfer, or pass, or in any way affect or modify the liability of the Trustee under, the [Baltimore] Lease, it being agreed that, notwithstanding this Assignment or any subsequent assignment, all obligations of the Trustee to the [Baltimore] Lessee shall be and remain enforceable by the [Baltimore] Lessee, its successors and assigns, against, and only against, the Trustee or persons other than the Agent.

3. To protect the security afforded by this Assignment, the Trustee agrees as follows:

(a) The Trustee will faithfully abide by, perform and discharge each and every obligation, covenant and agreement that the [Baltimore] Lease provides are to be performed by the Trustee; without the written consent of the Agent, the Trustee will not anticipate the rents under the [Baltimore] Lease or waive, excuse, condone, forgive or in any manner release or discharge the [Baltimore] Lessee thereunder of or from the obligations, covenants, conditions and agreements to be performed by the [Baltimore] Lessee which are intended to satisfy the obligations of the Trustee under the CSAs, including, without limitation, the obligation to pay the rents in the manner and at the time and place specified therein or enter into any agreement so amending, modifying or terminating the [Baltimore] Lease, and the Trustee agrees that any such amendment, modification or termination thereof without such consent shall be void.

(b) Should the Trustee fail to make any payment or to do any act which this Assignment requires the Trustee to make or do, then the Agent, but without obligation so to do, after first making written demand

upon the Trustee and affording the Trustee a reasonable period of time within which to make such payment or do such act, but without releasing the Trustee from any obligation hereunder, may make or do the same in such manner and to such extent as the Agent may deem necessary to protect the security provided hereby, including specifically, without limiting its general powers, the right to appear in and defend any action or proceeding purporting to affect the security hereof and the rights or powers of the Agent, and also the right to perform and discharge each and every obligation, covenant and agreement of the Trustee contained in the [Baltimore] Lease; and in exercising any such powers, the Agent may pay necessary costs and expenses, employ counsel and incur and pay reasonable attorneys' fees, and the Trustee will reimburse the Agent for such costs, expenses and fees; provided, however, that the obligations of the Trustee to make reimbursements under this Paragraph 3 are subject to the last paragraph of Article 4 of the CSAs.

4. Subject to the provisions of Paragraph 10 hereof, the Trustee does hereby constitute the Agent the Trustee's true and lawful attorney, irrevocably, with full power (in the name of the Trustee, or otherwise), to ask, require, demand, receive, compound and give acquittance for any and all Payments due and to become due under or arising out of the [Baltimore] Lease to which the Trustee is or may become entitled, to enforce compliance by the [Baltimore] Lessee with all the terms and provisions of the [Baltimore] Lease, to endorse any checks or other instruments or orders in connection therewith and to file any claims or take any action or institute any proceedings that the Agent may deem to be necessary or advisable in the premises.

5. Upon the full discharge and satisfaction of all the Trustee's obligations under the CSAs in respect of the Chessie CSA Indebtedness, this Assignment, and all rights herein assigned to the Agent in respect thereof, shall terminate, and all estate, right, title and interest of the Agent in and to the [Baltimore] Lease shall revert to the Trustee without further act or deed, but the Agent shall execute and deliver such documents as the Trustee may reasonably request in order to confirm, or make clear upon public records, such termination and/or reversion.

6. The Trustee will, from time to time, do and perform any other act and will execute, acknowledge and deliver any and all further instruments required by law and reasonably

requested by the Agent in order to confirm or further assure the interests of the Agent hereunder.

7. The Agent may assign all or any of the rights assigned to it hereby or arising under the [Baltimore] Lease, including, without limitation, the right to receive any Payments due or to become due. The Agent will give written notice to the Trustee and the [Baltimore] Lessee of any such assignment.

8. This Assignment shall be governed by the laws of the State of New York, but the parties shall be entitled to all rights conferred by 49 U.S.C. § 11303.

9. The Trustee shall cause copies of all notices received in connection with the [Baltimore] Lease and all payments hereunder to be promptly delivered or made to the Agent at its address set forth in Article 20 of the CSAs, or at such other address as the Agent shall designate.

10. The Agent hereby agrees with the Trustee that, so long as no event of default in respect of the [Baltimore] Lease, the [Baltimore] Lessee or the [Baltimore] CSA Indebtedness (as defined in the CSAs), or any event which with lapse of time or notice or both would constitute such an event of default, under the CSAs has occurred and is then continuing, the Agent will not exercise or enforce, or seek to exercise or enforce, or avail itself of, any of the rights, powers, privileges, authorizations or benefits assigned and transferred by the Trustee to the Agent by this Assignment, except the right to receive and apply the Payments as provided in Paragraph 1 hereof, and that, subject to the terms of the [Baltimore] Lease and the CSAs the Trustee may, so long as no such event of default under the CSAs has occurred and is then continuing, exercise or enforce, or seek to exercise or enforce, its rights, powers, privileges and remedies arising out of subparagraph (a) of the first paragraph of § 10 of the [Baltimore] Lease; provided, however, the Trustee shall not, without the prior written consent of the Agent, terminate the [Baltimore] Lease or otherwise exercise or enforce, or seek to exercise or enforce, any rights, powers, privileges and remedies arising out of subparagraph (b) of said § 10.

11. No recourse shall be had in respect of any obligation due under this Assignment, or referred to herein, against any incorporator, stockholder, director or officer, as such, past, present or future, of the Trustee, the Agent, the Investors or the Owner, whether by virtue of any constitutional provision, statute or rule of law or by enforcement of any assessment or penalty or otherwise, all such liability, whether at common

law, in equity, by any constitutional provision, statute or otherwise, of incorporators, stockholders, directors or officers, as such, being forever released as a condition of and as a consideration for the execution of this Assignment.

It is expressly agreed by and between the parties hereto, anything herein to the contrary notwithstanding, that each and all of the representations, warranties and agreements herein made on the part of the Trustee are each and every one of them made and intended not as personal representations, warranties and agreements by the financial institution acting as Trustee hereunder or for the purpose or with the intention of binding said financial institution personally but are made and intended for the purpose of binding only the Trust Estate as that term is used in the Trust Agreement and this Assignment is executed and delivered by the Trustee solely in the exercise of the powers expressly conferred upon the Trustee under the Trust Agreement; and that no personal liability or responsibility is assumed by or shall at any time be asserted or enforceable against said financial institution or the Owner on account of any representation, warranty or agreement hereunder of said financial institution, acting in its capacity as Trustee or the Owner, either expressed or implied, all such personal liability, if any, being expressly waived and released by the Agent and by all persons claiming by, through or under the Agent; provided, however, that the Agent or any person claiming by, through or under the Agent, making claim hereunder, may look to the Trust Estate for satisfaction of the same.

IN WITNESS WHEREOF, the parties have caused this instrument to be executed in their respective corporate names, by officers thereunto duly authorized, and their respective corporate seals to be affixed and duly attested, all as of the date of the first above written.

[Seal]

THE CONNECTICUT BANK AND TRUST
COMPANY, not in its individual
capacity, but solely as Trustee.

By: _____

Attest:

[Seal]

MERCANTILE-SAFE DEPOSIT AND TRUST
COMPANY, not in its individual
capacity, but solely as Agent.

By: _____

Attest:

STATE OF)
) ss.:
COUNTY OF)

On this day of October, 1984, before me personally appeared , to me personally known, who, being by me duly sworn, says that he is the of , one of the corporations described in and which executed the foregoing instrument, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Notary Public

[Notarial Seal]

My Commission Expires:

EXHIBIT F

LESSEE'S CONSENT

Each of the undersigned, corporations duly incorporated under the laws of the State of Virginia and [Maryland], respectively, the Lessees named in the Chessie Leases (individually, a "Lease") referred to in the foregoing two Assignments of Lease, hereby acknowledges receipt of a copy of such Assignment of Lease relating to the Lease to which it is a party (the "Assignment"), consents to all the terms and conditions of the Assignment, and severally agrees as follows:

(1) subject to the terms and conditions of the Assignment, to pay all Payments (as defined in the Assignment) due and to become due to the Trustee under the Lease to which it is a party directly to MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, as agent ("Agent") under the Participation Agreement referred to in the Assignment, to be applied as provided in the Assignment, by bank wire transfer of immediately available funds to the Agent for credit to the Agent's Account No. 619478-8, with advice that the funds are "Re: Railgon Lease" (or to such other address as may be furnished in writing to the undersigned by the Agent);

(2) agrees, subject to the terms and conditions of the Assignment, that the Agent shall be entitled to the benefits of, and to receive and enforce performance of, all of the covenants to be performed by the undersigned under the Lease to which it is a party as though the Agent were named therein as the Trustee;

(3) agrees that the Agent shall not, by virtue of the Assignment or this Lessee's Consent, be or become subject to any liability or obligation under the Lease to which it is a party or otherwise;

(4) agrees that the Lease to which it is a party shall not, without the prior written consent of the Agent, be amended, terminated or modified, or any action be taken or omitted by the undersigned, the taking or omission of which might result in any alteration of impairment of the obligations of the Lessee under such Lease which are intended to satisfy the obligations of

the Trustee under the CSAs referred to in the Assignment, the obligations of the Trustee under the Assignment or the obligations of such Lessee under this Lessee's Consent or of any of the rights created by any thereof; and

(5) will do all such acts and execute and deliver all such further assurances required to be done and/or executed and delivered by it pursuant to the provisions of the Lease to which it is a party and all documents to which it is a party executed in connection with such Lease.

This Agreement may be executed in several counterparts, each of which when so executed shall be deemed an original, and such counterparts together shall constitute but one and the same instrument.

This Lessee's Consent, when accepted by the Agent by signing the acceptance at the foot hereof, shall be deemed to be a contract under the laws of the State of New York and, for all purposes, shall be construed in accordance with the laws of said State.

Dated as of October 15, 1984

[Corporate Seal]

THE CHESAPEAKE AND OHIO
RAILWAY COMPANY

By _____

Attest:

Title

[Seal]

THE BALTIMORE AND OHIO
RAILROAD COMPANY

By _____
Title

Attest:

Title

[Seal]

ACCEPTED:

MERCANTILE-SAFE DEPOSIT AND
TRUST COMPANY, not in its
individual capacity, but
solely as Agent under the
Participation Agreement re-
ferred to above.

By _____
Title

Attest:

Title

[Seal]

EXHIBIT G

AMENDMENT TO PARTICIPATION AGREEMENT (NO.____)

AMENDMENT made as of the 15th day of October, 1984 among RAILGON COMPANY, a Delaware corporation ("Railgon"), MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, a Maryland corporation, acting not in its individual capacity but solely as agent ("Agent"), GENERAL ELECTRIC CREDIT CORPORATION, a New York corporation ("Owner"), THE CONNECTICUT BANK AND TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association, acting not in its individual capacity, but solely as Trustee for the Owner ("Trustee"), and the PARTIES NAMED IN SCHEDULE A TO THE PARTICIPATION AGREEMENT (the "Investors").

RECITALS

WHEREAS, the parties hereto are parties to a Participation Agreement dated as of [date] (the "Participation Agreement");

WHEREAS, in connection with the Participation Agreement, the Trustee and Railgon entered into a Lease of Railroad Equipment dated as of the date of the Participation Agreement (the "Lease"), pursuant to which the Trustee leased to Railgon certain items of equipment (the "Equipment");

WHEREAS, as of the date hereof the Trustee and Railgon have entered into an Amendment to Lease pursuant to which certain items of Equipment have been released from the Lease;

WHEREAS, as of the date hereof the Trustee has entered into a Lease of Railroad Equipment with each of The Baltimore and Ohio Railroad Company and The Chesapeake and Ohio Railway Company (such leases are referred to individually as a "Chessie Lease" and collectively as the "Chessie Leases", and such lessees are referred to individually as a "Chessie Lessee" and collectively as the "Chessie Lessees"), pursuant to which the Trustee has leased to each of the Chessie Lessees certain items of the Equipment; and

WHEREAS, in consideration of the foregoing, the parties to the Participation Agreement desire to amend the Participation Agreement on the terms set forth herein.

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained, the parties hereto agree as follows:

1. The first and second sentences of the seventh paragraph of Paragraph 2 of the Participation Agreement are deleted and the following is inserted in replacement thereof:

The Agent will hold the moneys deposited

with it pursuant hereto and Investments (as defined in Paragraph 10 hereof) and the rights under the CSA and the security interest in the Railgon Equipment and the Chessie Equipment (as such terms are defined in the Amendment to Conditional Sale Agreement (No. _____) dated as of October 15, 1984 between the Trustee and the Agent (the "CSA Amendment")), the security interest in the Lease and the Chessie Leases (as such term is defined in Amendment No. 1 (defined below)), and any payments received by it pursuant to the Lease and the Chessie Leases, in trust for the benefit of the Investors and the Investors (as defined in each of the two Participation Agreements dated as of [date] and [date], respectively (the "Other Participation Agreements")), to which the Lessee, the Agent, the Owner and the Trustee are parties) in accordance with their respective interests therein as such interests from time to time shall appear. The interest of each such Investor in each payment by the Agent of principal of or interest on the Railgon CSA Indebtedness shall be as set forth in the Override and Restructuring Agreement (the "Override Agreement") dated as of January 1, 1984 by and among the Lessee, the Agent, the Owner, the Trustee, the Investors and Trailer Train Company. The interest of each such Investor in each payment by the Agent of principal of or interest on the Chessie CSA Indebtedness (as such term is defined in the CSA Amendment) shall be determined in accordance with the formula set forth in Section 18.03(a) of the Override Agreement, as added by Amendment No. 1 to the Override and Restructuring Agreement ("Amendment No. 1") dated as of October 15, 1984 by and among the parties to the Override Agreement.

2. The first through third paragraphs of Paragraph 11 of the Participation Agreement are amended to read in their entirety as follows:

The Agent will accept payments made to it by or for the account of the Trustee pursuant to the CSA on account of the principal of or interest on the Railgon CSA Indebtedness or the Chessie CSA Indebtedness, as the case may be, and will apply such payments promptly, (i) in the case of the Railgon CSA

sion and sale or lease of any unit of the Railgon Equipment or Chessie Equipment) immediately shall be distributed by the Agent pro rata among the Investors in accordance with their respective interests in the Railgon CSA Indebtedness or Chessie CSA Indebtedness, as the case may be, thereunder at the time of distribution, and (ii) all proceeds of any repossession and sale or lease of any unit of Railgon Equipment or Chessie Equipment, as the case may be, immediately shall be distributed by the Agent among the Investors according to their respective Railgon Equipment Interests or Chessie Equipment Interests (as such terms are defined in the CSA Amendment), as the case may be, as set forth in Article 24 of the CSA, and the Agent shall otherwise take such action as is referred to in this Paragraph 11.

3. The first three sentences of the fifth paragraph of Paragraph 11 of the Participation Agreement are amended to read in their entirety as follows:

So long as, to the actual knowledge of the Agent, the Lessee is not and the Chessie Lessees are not in default under this Agreement, and no event of default under the CSA in respect of the Chessie Leases or Event of Default under the Chessie Leases shall have occurred and be continuing, the Agent shall be entitled to use its discretion with respect to using or refraining from exercising any rights or taking or refraining from taking any action which may be vested in it, or which it may be entitled to assert or take, hereunder or under the CSA or under the Lease, or the Chessie Leases, as the case may be, except as otherwise specifically provided herein. The Agent shall not incur any liability hereunder or otherwise in acting upon any notice, certificate or other paper or instrument believed by it to be genuine and signed by the proper party or parties, or with respect to anything which it may do or refrain from doing in the exercise of its best judgment, or which may seem to it to be necessary or desirable in the premises, except liability resulting from its own misconduct or negligence, provided, however, that in case the Agent shall have actual knowledge of the occurrence of a Default, an event of default under the CSA in respect of the Chessie

Leases or an Event of Default under the Chessie Leases, it shall promptly notify the Trustee, the Owner, the Lessee or the Chessie Lessees, as the case may be, and the Investors thereof and shall take such action and assert such rights under the CSA and the Lease or Chessie Leases, as the case may be, as shall be agreed upon by holders of interests totaling more than 50% of the aggregate Railgon CSA Indebtedness or Chessie CSA Indebtedness (as the case may be) then outstanding. In case the Agent is required to take action hereunder, it shall be indemnified against any liability or expense, including reasonable counsel fees, and shall be reasonably compensated for its services, in connection with taking such action or asserting such rights, by the holders of the Railgon CSA Indebtedness or the Chessie CSA Indebtedness (as the case may be) in proportion to each holder's interest in the aggregate outstanding Railgon CSA Indebtedness or Chessie CSA Indebtedness, as the case may be.

4. The sixth and seventh paragraphs of Paragraph 11 of the Participation Agreement are amended to read in their entirety as follows:

The Agent may consult with legal counsel of its own choice (provided such legal counsel is acceptable to the holders of more than 50% of the aggregate Railgon CSA Indebtedness or Chessie CSA Indebtedness, as the case may be, then outstanding) and shall not be under any liability for any action taken or suffered in good faith by it in accordance with the opinion of such counsel.

The Agent will promptly mail or deliver to each Investor which shall so request in writing one counterpart or copy of all notices, statements, documents or schedules actually or constructively received by it from the Trustee or the Lessee or the Chessie Lessees pursuant hereto or pursuant to the CSA or the Lease or the Chessie Leases.

5. The first two sentences of the eleventh paragraph of Paragraph 11 of the Participation Agreement are amended to read in their entirety as follows:

The Agent shall be entitled to terminate its duties and responsibilities hereunder by giving written notice to the Investors, the Owner, and the Lessee or the Chessie Lessees (as the case may be) that it desires to terminate such duties and responsibilities on a date (at least 30 days subsequent to the giving of such notice) stated in said notice; it being agreed that the Agent shall also give such notice if it is directed so to do by the holders of interests totaling more than 50% of the aggregate Railgon CSA Indebtedness or Chessie CSA Indebtedness (as the case may be) then outstanding. If, prior to the date stated in said notice, the holders of interests totaling more than 50% of the aggregate Railgon CSA Indebtedness or Chessie CSA Indebtedness (as the case may be) then outstanding shall have requested in writing that the Agent assign to a person or institution designated by such holder all right, title and interest of the Agent under the CSA, the CSA Assignment, the Lease Assignment and the Assignment of Leases dated as of September 1, 1984 by the Trustee with respect to the Chessie Leases and in and to the Railgon Equipment and Chessie Equipment and the Lease and the Chessie Leases, the Agent shall comply with such request.

6. Except as amended or modified hereby, the Participation Agreement shall remain in full force and effect in accordance with its terms. This Agreement may be executed in two or more counterparts which when taken together shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers as of the date first above written.

RAILGON COMPANY

By _____
Title

MERCANTILE-SAFE DEPOSIT
AND TRUST COMPANY, As Agent

[Seal]

By _____
Title

Attest: _____

THE CONNECTICUT BANK AND TRUST
COMPANY, NATIONAL ASSOCIATION,
As Trustee

By _____

GENERAL ELECTRIC CREDIT
CORPORATION

By _____
Title

[INVESTORS]

EXHIBIT H

AMENDMENT TO ASSIGNMENT OF LEASE
AND AGREEMENT (NO. ____)

AMENDMENT made as of the 15th day of October, 1984 between THE CONNECTICUT BANK AND TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association acting not in its individual capacity but solely as Trustee (hereinafter, together with its successors and assigns, the "Trustee") acting under a Trust Agreement dated as of [date] with General Electric Credit Corporation (the "Owner"), and MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, a Maryland corporation, acting not in its individual capacity but solely as agent (hereinafter, together with its successors and assigns, the "Agent") for certain institutional investors (the "Investors") under a Participation Agreement dated as of [date].

RECITALS

WHEREAS, the Trustee is a party to a Conditional Sale Agreement dated as of [date] (as amended, the "CSA") along with certain manufacturers of railroad equipment listed on the signature pages to the CSA (the "Builders"), pursuant to which the Trustee purchased certain units of railroad equipment described in Annex B to the CSA manufactured by the Builders (the "Equipment");

WHEREAS, the Builders assigned to the Agent (a) their right, title and interest in and to the CSA and (b) their security interests in and to the Equipment, pursuant to an Agreement and Assignment dated as of [date] between the Agent and each of the Builders;

WHEREAS, the Trustee and Railgon Company ("Railgon") entered into a Lease of Railroad Equipment dated as of [date] (the "Lease") pursuant to which the Trustee leased the Equipment to Railgon;

WHEREAS, to provide security for the obligations of the Trustee under the CSA and as an inducement to the Investors to invest in the CSA Indebtedness (as defined in the CSA), the Trustee assigned for security purposes its rights in, to and under the Lease to the Agent pursuant to an Assignment of Lease and Agreement dated as of [date] (the "Assignment of Lease");

WHEREAS, the Trustee and Railgon have as of this date entered into an Amendment to Lease pursuant to which certain items of Equipment have been released from the Lease;

WHEREAS, the Trustee has as of this date entered into a Lease of Railroad Equipment with each of The Baltimore and Ohio Railroad Company and The Chesapeake and Ohio

Railway Company, pursuant to which the Trustee has leased to such entities such items of the Equipment released from the Lease; and

WHEREAS, in consideration of the foregoing, the parties to the Assignment of Lease have agreed to amend the Assignment of Lease on the terms set forth herein.

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained, the parties hereto agree as follows:

1. Section 1 of the Assignment of Lease is amended to read in its entirety as follows:

Subject to the provisions of Paragraph 10 hereof, the Trustee hereby assigns, transfers and sets over unto the Agent, as collateral security for the payment and performance of the Trustee's obligations in respect of the Railgon CSA Indebtedness (as such term is defined in the Amendments to Conditional Sale Agreements dated as of October 15, 1984 between the Trustee and the Agent) under the CSA (as used herein, such term to be deemed to include all amendments and supplements thereto) and under two Conditional Sale Agreements dated as of [date] and [date], respectively, as amended and supplemented, between the Trustee and the Agent, as assignee (such agreements, jointly, the "Other CSAs" and, together with the CSA, the "CSAs"), all the Trustee's right, title and interest, powers, privileges, and other benefits under the Lease (including those inuring to the benefit of the Owner and the Owner's assigns by reason of § 12 of the Lease), including, without limitation, the immediate right to receive and collect all rentals, profits and other sums payable to or receivable by the Trustee under or pursuant to the provisions of the Lease whether as rent, casualty payment,

indemnity (except sums which by the express terms of the Lease are payable directly to the Owner or the Trustee pursuant to §§ 6, 9 and 19 of the Lease), liquidated damages, or otherwise (such moneys being hereinafter called "Payments"), and the right to make all waivers and agreements, to give all notices, consents and releases, to take all action upon the happening of an Event of Default specified in the Lease, and to do any and all other things whatsoever which the Trustee is or may become entitled to do under the Lease. In furtherance of the foregoing assignment, the Trustee hereby irrevocably authorizes and empowers the Agent in its own name, or in the name of its nominee, or in the name of the Trustee or as its attorney, to ask, demand, sue for, collect and receive any and all Payments to which the Trustee is or may become entitled under the Lease and to enforce compliance by the Lessee with all the terms and provisions thereof.

The Agent agrees to accept any Payments made by the Lessee for the account of the Trustee pursuant to the Lease and, to the extent received, the Agent will apply such Payments to satisfy the obligations of the Trustee in respect of the Railgon CSA Indebtedness (a) under the CSA then due and payable, subject to the limitations contained in the last paragraph of Article 4 of the CSA, and (b) under the Other CSAs then due and payable, subject to the limitations contained in the last paragraph of Article 4 of each of the Other CSAs, and any balance held by the Agent hereunder for the account of the Trustee shall be deemed to be held in trust for the Trustee and shall be paid immediately to and retained by the Trustee. The foregoing provision shall also be for the benefit of the Builders as third party beneficiaries. If the Agent shall not receive any rental payment under the first paragraph of § 3 of the Lease or any payment of Casualty Values under § 7 of the Lease when due, the Agent shall promptly notify the Trustee by telegraphic communication at the address set forth in the Lease. Failure to so notify the Trustee shall not affect the rights and remedies of the Agent hereunder or under the CSA or under the Other CSAs except that the Agent may not declare an event of default under subparagraph (a) of (f) of Article 15 of the CSA or the Other CSAs arising solely by reason of the failure of the Lessee to make any such rental payment which, pursuant to subparagraph (f) of Article 15 of the CSA or

the Other CSAs, would not constitute an event of default thereunder if the Lessor complies with the provisions thereof, unless such event of default is not remedied within 5 days after notification is given as aforesaid.

2. Except as modified or amended hereby, the assignment of Lease shall remain in full force and effect in accordance with its terms. This Agreement may be executed in two or more counterparts which when taken together shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers as of the date first above written.

THE CONNECTICUT BANK AND TRUST COMPANY,
NATIONAL ASSOCIATION, not in its individual capacity but solely as Trustee

[Seal]

By _____
Title

Attest:

MERCANTILE-SAFE DEPOSIT AND TRUST
COMPANY, not in its individual capacity but solely as Agent

[Seal]

By _____
Title

Attest:

STATE OF)
) ss.:
COUNTY OF)

On this day of October, 1984, before me personally appeared to me personally known, who, being by me duly sworn, says that he is the of , one of the corporations described in and which executed the foregoing instrument, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Notary Public

[Notarial Seal]

My Commission Expires:

CERTIFICATE OF TRUE COPY

STATE OF NEW YORK)
) SS.:
COUNTY OF NEW YORK)

I, Stewart E. Tabin, a member of the Bar of the State of New York, do hereby certify that I have compared the attached copy of the document entitled "Amendment No. 1 to The Override and Restructuring Agreement" with an executed original counterpart thereof and find the said attached copy to be in all respects a true, correct and complete copy of the aforesaid executed original counterpart.

IN WITNESS WHEREOF, the undersigned has hereunto affixed his signature this 15th day of October, 1984.

Stewart E. Tabin
Stewart E. Tabin

Subscribed and sworn to before
me this 15th day of October, 1984

Richard B. Skaff
Notary Public

My commission expires:

RICHARD B. SKAFF
Notary Public, State of New York
No. 31-4743958
Qualified in New York County
Commission Expires March 30, 1985